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The Nation's Business

Caution Signals For Business

But No "Red Light" Seen Ahead

Will There Be a Budget Surplus?

Alberta Seeks To Destroy Banks

Textile Report May Be Useless

Hepburn Opposes St. Lawrence Canal

Fourth Quarter Business Report

WHAT is ahead for business? Until mid-August prospects seemed rosy and news columns were filled chiefly with bullish items. Then stock market prices started to tumble and today there is a general feeling abroad that the prosperity worm has turned and that we are in for at least several months of declining or stationary business. If this be true it is a matter of major importance to trade and commerce in this country. Some of the pros and cons are discussed in detail elsewhere in this issue.

One possibility is that the stock market is wrong. A recent survey showed it has been wrong about 50% of the time in calling the turn on major business changes. Even if no important recession in business were looming ahead, the fact that market prices have been written down by several billions in recent weeks is in itself a bearish factor. It means less money will be spent for "luxury" items and that many people and groups will be cautious about commitments as long as this market uncertainty persists.

If the market has correctly called the turn in respect of fall business prospects then past experience indicates a decline in industrial activity of from 20% to 25% is a possibility in the United States, at least. When a secondary market recession occurred in 1923 the Dow-Jones industrial average dropped 18% and business fell off 27%. In a similar recession from July to Oct., 1933, stocks slipped 23% and business slumped 22%. Up till the end of last week the Dow-Jones average had lost 24% of its 1937 gains so that if history were to repeat itself and the stock market as a business barometer is to be relied upon, a considerable let-down in industrial activity is forecast.

Such a decline in the United States would, of course, be reflected to a considerable degree in Canada —particularly as this country is especially vulnerable this year with wheat crop marketings at the lowest point in several decades.

* * *

No Red Light Ahead

IN ANY event it would not be surprising if business activity were to "level off" either during the next few months or at the turn of the year. The Financial Post index of business activity in Canada has been rising very sharply for about three years, with business running in each month about 10% above the previous year. It would indicate no fundamental weakness if these two lines were to come together for a few months, since it is not to be expected that this 10% margin will be maintained indefinitely. This "levelling off" has already occurred in recent months in the United States.

Many factors contribute to this result. Prices and costs have been rising with a consequent narrowing of profit margins. International trade prospects have recently narrowed in many fields—notably B. C. lumber sales to Great Britain and many items affected by war in the far east. We have very little grain and flour to sell this year. Then, too, labor uncertainties still hang over the continent, though Canada has recently had a short breathing spell following settlement of the costly textile and automotive strikes. War threats continue a deterrent in many fields to any country whose life blood is international trade.

Fundamentally there seems general agreement that the long-term trend of business is still upward. There are substantial backlogs in construction and in most "heavy" industries. There are hundreds of millions of dollars worth of modernization jobs to be done. There is more purchasing power in the country (apart from Saskatchewan and one or two drought areas) than at any time since 1929 and 1930.

It looks as if the yellow caution signs are more likely to change to a green "go" than a red "stop."

* * *

Federal Surplus Uncertain

ONE important result of a business recession in the fourth quarter of the year might be to upset rosy predictions that have come recently from Ottawa as to a balanced budget for 1937-38 and a subsequent reduction in taxes.

As a matter of fact there are three major uncertainties at the present time which make this mythical Federal surplus problematic.

1. There is the unsettlement in world conditions which if continued would affect Canada within the next few months.
2. The unexpectedly large payments which have to be made to

(Continued on page 2, col, 3)

Tax Rulings May Be Shock To Canadians

U. S. to Collect Levy for Half of 1936 Before Releasing Rebates

REGULATIONS SOON

Canadian holders of American investments who are looking for a refund of 5% on deductions made for the United States income tax may get a rude shock when the regulations giving effect to the Reciprocal Tax Convention are issued. In some cases they may find themselves assessed for a larger amount.

The reciprocal tax arrangement between Ottawa and Washington reducing the American tax to be paid by Canadians from 10% to 5% was signed on Dec. 30, 1936, and is retroactive to Jan. 1, 1936. On the other hand the United States Revenue Act of 1936 which included the original provision for a 10% tax to be deducted at the source on interest payments or dividends to non-residents is also retroactive to the same date. This Act was enforced for the first time on July 2, 1936, leaving the first half year's tax uncollected.

Thus a Canadian individual or corporation with American holdings is still liable for a 5% tax on any interest or dividend payments made to him between Jan. 1 and July 2, 1936. In the majority of cases this amount will be the same as the dividend paid in the latter half of the year and taxed at the 10% rate. In these cases since the 5% refund on the last half of the year and the 5% tax liability for the first half balance there will be no payment either to or from Washington.

Collect Back Taxes

In cases, however, where interest payments in the first half of the year were larger than those in the second half the unpaid tax will exceed the refund and Washington, it is indicated, intends to collect the difference from the paying agent. The only cases of a cash refund will be those in which interest payments, after July 2, are higher than those before July 2 when the holder will, of course, be entitled to the 5% rebate minus the amount of unpaid tax.

Regulations making effective the terms of the Reciprocal Tax Convention are now being prepared at Washington and are expected to be issued soon. Similar regulations will be issued from Ottawa for the guidance of Canadian residents.

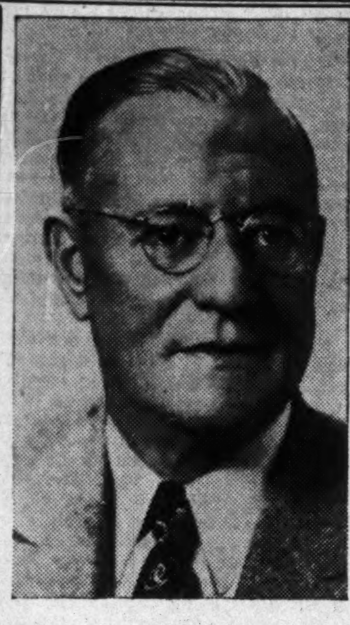
Until this is done paying agents are technically required to continue deductions of 10%.

It is expected that the regulations will provide for an automatic refund of over-deductions of 1937 tax without requiring a formal application.

Non-Resident Tax

Since the tax reduction made by Washington applies only to Canadians the new regulations may present a slight complication for an individual or company collecting dividends from the United States all or part of which are being passed on to a resident of another country. Such an agent would be required to deduct and remit to Washington a further 5% tax on moneys which are to be sent to the non-resident.

The regulations to be issued by both Governments will explain exactly how the tax deducted from income being sent out of either country is to be handled. They will also cover the manner in which any additional tax owed by Canadian residents for the year 1936 should be paid and how to apply for refunds.



"I.P." HEAD POSES

When Richard J. Cullen succeeded A. R. Graustein as head of International Paper and Power Co., International Paper Co., Canadian International Paper Co. and other enterprises, his stock answer to the many requests from press agencies was that he never had a picture taken and did not intend to have one taken. The above picture is the first to appear in a Canadian paper.

Maple Leaf Has Surplus

But Milling Companies in Difficult Position, Says President

Maple Leaf Milling Co. added $14,856 to surplus account from earnings in the year ended July 31, 1937, after depreciation, bond interest and income taxes. The portion of bond interest payable in cash was earned 2.8 times after depreciation and after payment of Eastern Bakeries dividends under guarantee. In the preceding year, there was a loss of $128,702 after all charges.

The surplus earned in the year amounted to approximately 20 cents a share on the 73,246 shares of class A preferred outstanding at July 31.

D. Campbell MacLachlan, president, states that particularly favorable markets for by-products accounted to a large extent for the improvement of earnings this year. The volume of flour produced by the company was lower than in the previous year, he says, due to further loss of export markets, notably New Zealand.

Mr. MacLachlan warns that the company has entered its new year "under somewhat difficult conditions." Commenting on disappear-

(Continued on page 2, col. 6)

Steel!

Within the next few weeks in the town of Ojibway, near Windsor, Ont., a long idle steel plant will spring to life. The event, to western Ontario, means the employment of some 600 workers with its resultant spurt to local business. To shareholders of Dominion Steel and Coal Corp. it means expansion and the opening of a new field. To Canada as a whole the opening of the Ojibway plant is a significant step in the forward march of a rapidly growing industry.

A picture of this Canadian steel industry with its wide affiliations and its numerous secondary industries will be presented in next week's issue of The Financial Post.

Steel Wares' Arrears Plan Wins Support

Holders of Preferred Stock Favor Offer of Common

PLAN ANALYZED

From Our Own Correspondent

MONTREAL.—General Steel Wares' scheme for eliminating dividend arrears on the preferred stock through the issuance of common in lieu of a cash distribution, is endorsed by shareholders but received with mixed feelings in financial circles.

Toward the close of 1927 Dominion Securities Corp., Drury and Co., and Newman, Sweezey and Co. made a public offering of $4.5 millions of the company's preferred at par and accrued dividend. Dividends were paid regularly up to and including Feb. 1, 1931, at which time shareholders were advised that they would be discontinued until business conditions improved.

No dividends have been paid in the interval but much has been done to strengthen the company's financial position.

Cut Down Debt

With the passing of the preferred dividend surplus earnings were used by the management to reduce funded debt. Of the original $9 millions of bonds $2,423,000 had been retired by the end of last year.

This showing, together with more normal earnings and improved outlook enabled the company to call in its 6% bonds last spring and replace them with an issue carrying a lower coupon. The result was a very substantial saving in interest charges, the full effect of which will not be apparent in the company's accounts until next year.

What this transaction means in the way of additional earnings for the capital stock is more clearly understood when it is realized that interest charges on the original debt totalled $540,000, compared with $280,000 on the new bonds. Last year interest charges amounted to $418,487 on the reduced debt.

Clean Up Balance Sheet

The present scheme of arrangement for tbe preferred is the final step in clearing-up the balance sheet. There are outstanding 45,000 shares of $100 par value preferred, which will be $50.75 in arrears of dividends by May 1 next year.

The company proposes that all rights pertaining to the preferred shares, including the 7% coupon, remain unchanged. For the dividend arrears, it offers 2½ shares of common stock at $1 each in full settlement.

This would give the preferred shareholders 36% of the common stock equity and increase the number of outstanding common shares from 200,000 to 312,500 shares.

Two Items to Consider

There are two major items of interest in considering the company's proposal: the question of dividends and whether or not the proportion of the common share equity offered is sufficient compensation for the dividend arrears.

The notice calling the meeting and outlining the proposal does not make any pronouncement regarding a resumption of dividends on preferred. Without some assurance or indication that dividends will be resumed, there would appear to be no good reason for agreeing to the plan, especially by those shareholders looking for income.

With a surplus account deficit of $634,475 at the end of last year, the company cannot resume dividends

(Continued on page 2, col. 3)

Rothermere on Canada

Peer Says He Can't See Depression For the Trees

By C. W. STOLLERY

DEPRESSION in Canada? Lord Rothermere can't see it for trees.

Whereas Gulliver merely saw a man making sunbeams from cucumbers, tomorrow we may see crockery or railway coaches made from the tall timbers of Canada's northern forests.

That is something of the idea of the possibilities of the cellulose age as seen by Lord Rothermere, proprietor of the London Daily Mail and other million circulation papers, who has been touring Canada on his annual visit.

As a newspaper proprietor with requirements of hundreds of tons of newsprint paper every day, Lord Rothermere has for many years maintained huge investments in paper-making in Canada and Newfoundland. He sees a bright future for newsprint companies, and his forecast in The Financial Post of $65 newsprint by 1939 appears to be on the way to fulfillment.

Pulp, however, has for him a more romantic future.

Newsprint is just one of the products made from wood pulp. Other products, he believes, will displace newsprint as the dominant users of pulp.

Cites Changing Uses

Germany, says Lord Rothermere, has wonderful forests but will soon cease to be a factor of importance in the export of pulp because Nazi policies of self-sufficiency require use of German pulp at home. Nazis young and old will be clothed with textiles made from the German pulp that has hitherto been exported. German armies will perhaps be clothed entirely from products of the forest. The soldiers may even have bullet-proof helmets of hardened cellulose derived from trees.

Japan, too, will clothe its people in materials made from pulp and will therefore be importing increased quantities of the digested wood fibre, he avers.

Lord Rothermere thinks the Canadian railways, as one instance, should investigate the possibilities of using unbreakable cellulose crockery to cut down the inevitable losses from breakage in trains, on steamships and in hotels. He would start the experiment in the steerage dining rooms.

Simply, he says: "I see no limit to the demand for cellulose products and therefore no limit to the market. The wonderful forests in Canada should make this the wealthiest country per capita in the world."

Wooden Necktie

It has taken the better part of a generation for the British newspaper, newsprint and pulp-mill viscount to reach his present high enthusiasm for wood pulp. Some years before the war, a visitor to his office remarked:

"You see this tie? It is made from wood."

Discussing the subject with representatives of The Post a few days ago, Lord Rothermere confessed that he was not much impressed with the tie made from wood. "It was a rough looking thing," he recalled. His reaction was something like Gulliver's to the experiments with cucumbers; it seemed possible but hardly commercial. Then, perhaps, it was possible that a man could have obtained control of Courtaulds, now a huge British rayon concern, for comparatively few tens of thousands of pounds sterling. Today it is worth millions.

Lord Rothermere goes farther than merely suggesting the growth of demand for cellulose for clothing. "I am told," he says, "that properly treated it can be used for almost anything. Do you know that it can be made stronger than steel?"

Why should cellulose products not be turned into wheels and other parts for railway trains, he suggested? Why not into rails? Although he does not like the idea of another war, he does not scoff at the idea of firing a cellulose shell from a cellulose gun.

One of his editors attended the Dusseldorf exhibition of cellulose products in Germany. Among the oddities were chocolates made from cellulose base.

Relative Costs

What would be the cost of making cellulose products as hard as steel? The cost of cellulose candy compared with the less romantic sugar and chocolate? Perhaps they would be uneconomical in a free competitive economy if not in Germany. Lord Rothermere did not go into that, but he sees no danger of the cost of pulp for textiles rising so far as to diminish its use. Chemical pulp costs only about one-quarter the price of cotton, he points out, and could rise very sharply in price while cotton could fall, and there would still be a wide margin on the side of pulp.

Southern pine? Lord Rothermere is convinced that the uses of southern yellow pine, which grows much faster than northern pulpwoods, are strictly limited. In a few years, he says, there is no doubt that the demand for coarser papers like brown wrapping paper will overwhelm the products of the southern forests. But he is sure southern pine cannot compete with the slower growing northern trees, particularly spruce, for the multifarious uses he envisions for cellulose.

Interest In Abitibi

At the moment, the more immediate interest of Lord Rothermere lies in Abitibi Power & Paper Co. in the toils of its reorganization. One of his editors, Collin Brooks, of

(Continued on page 2, col. 5)

Steel Company Making Offer For Frost Co.

Deal Would Give Dominance in Wire and Fencing

OFFER FOR STOCK

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada is understood to be behind the offer to purchase all the class A and common stock of Frost Steel and Wire Co. In the absence of R. H. McMaster, president, official confirmation is not available, but The Financial Post is informed reliably that the offer made through the Royal Trust Co. comes from Steel of Canada.

Frost Steel manufactures wire and iron fencing and specialized metal products, including playground equipment. The plant is at Hamilton and there are warehouses at Hamilton, Montreal and Winnipeg.

Steel Co. of Canada is already in the fencing business, and acquisition of Frost Steel would give it a dominant position in this field.

Acceptance of the offer by holders of Frost class A and common stock would result in redemption of the 7% first preferred at 107½ plus arrears of dividends. The first preferred was offered in 1929 by A. E. Ames & Co. at 100 with a bonus of three common shares with each 10 preferred. Particulars of the offer for Frost class A and common stock are reported on page 10.

New Scheme For Abitibi?

"Defensive Committee" Claims Sacrifices Unnecessary

After being "protected" and "represented" holders of Abitibi bonds are now to be "defended."

The Bondholders' Defensive Committee has been formed to unify opposition to the reorganization plan sponsored by the Bondholders' Representative Committee. It is a straight two-committee campaign for votes since only bondholders are entitled to ballot on the plan at their meeting next Oct. 15.

A new scheme, or a modified scheme, for reorganization of Abitibi may eventually develop through the Defensive Committee, depending, of course, upon the outcome of the current campaign over the plan of the Representative Committee.

A Bondholders' Protective Committee was formed following Abitibi's default of interest on June 1, 1932. At a meeting of bondholders on June 7, 1935, the same group was elected as the "Bondholders' Representative Committee." It is sponsoring its own plan of reorganization, termed the "Ripley plan," at the forthcoming meeting.

Representative Committee

Members of the Representative Committee are:

Joseph P. Ripley, president of Brown Harriman & Co., Inc., New York, formerly vice-president of National City Co., which headed the investment firms which in 1928 underwrote the offering of $50 millions of Abitibi 5% bonds.

W. A. Arbuckle, Montreal, secretary-treasurer of Great Britain and Canada Investment Corp. representing the Investment Protection Committee of the British Insurance Association and the Association of Investment Trusts.

Milton C. Cross, New York, assistant vice-president of Brown Harriman & Co. and formerly assistant vice-president of National City Co.

Andrew Fleming, president of the Hartt and Adair Coal Co., Montreal, who also acts on behalf of the Sun Life Assurance Co.

Stanton Griffis, a partner of Hemphill, Noyes & Co., New York, which participated in the 1928 underwriting of Abitibi bonds.

Edward E. Reid, London, Ont., managing director of the London Life Insurance Co., on behalf of holdings of his company and on behalf of life insurance, loan and trust companies in Canada.

W. H. Somerville, Waterloo, Ont., general manager of the Mutual Life Assurance Co. of Canada, representing his company and Canadian life insurance, loan and trust companies.

Defensive Committee

The new "Defensive Committee" that has just been formed is seeking votes against the plan of the Representative Committee.

Its members:

Sir Henry Drayton, Toronto, counsel for Salter, Stapells and Sewell, barristers, president Third Canadian General Investment Trust; director of Canadian General Investments.

Ward C. Pitfield, Montreal, president of W. C. Pitfield & Co., investment firm.

J. A. Kilpatrick, Montreal, president Dominion Wheel & Foundries, chairman Canada Iron Foundries, director of Massey-Harris Co., Dominion Steel & Coal Corp. and other industrial firms.

Hon. Richard B. Hanson, Fredericton, a director of New Brunswick Telephone Co., Restigouche Co., Fraser Companies.

P. R. Walters, Montreal, formerly a director of Imperial Tobacco Co. of Canada, who is on the boards of Crown Trust Co. and Canadian International Investment Trust.

Letter to Bondholders

In a letter to bondholders, the Defensive Committee states that, whatever the merits of the Ripley plan when conceived, the spectacular improvement in Abitibi earnings in

(Continued on page 2, col. 5)

Rains Cheer Saskatchewan

Cold and rainy weather across the prairies was never more welcome than last week. A large part of Saskatchewan received fairly generous precipitation, and hopes were strengthened that the long drought experienced by that province has really been broken. Moisture at this time of the year is expected to be retained to a large extent in the soil to form part of the reserve for next year's crop.

Over a large part of Alberta, and most of Manitoba the subsoil moisture situation is now regarded as satisfactory. Saskatchewan, of course, will need much more rain before the freeze-up to establish a correspondingly satisfactory situation.

Lake Shipping Tie-up Averted

All Operators Reach Settlement With Seamen's Union

From Our Own Correspondent

MONTREAL.—Possible tie-up of Canadian shipping on the Great Lakes and St. Lawrence River, by threatened strike of the Canadian Seamen's Union, has been averted through agreements reached here between union spokesmen and officials of all the companies involved.

Separate agreements reached early in the week between the union and Canada Steamship Lines, Tree Lines Navigation Co., and Quebec & Ontario Transportation Co., were supplemented by a general agreement arrived at between union delegates and representatives of 19 other companies (including affiliates). Two smaller firms—Coal Carriers Corp. and Arrow Steamship Co.—are reported ready to abide by the decision of the conference.

Increase in Wages

Under the settlement evolved at the general meeting, the participating companies agree to pay union scales of wages from Oct. 1 to close of navigation, and the union agrees to refrain from intimidation in seeking to increase union membership. The union pay rates are estimated by company spokesmen to involve increases of from 10% to 15% over prevailing levels, and by union officers to mean increases ranging from 15% to 25%.

More than 5,000 lake sailors, employed on 250 to 300 Canadian lake and river ships, would have been idle had the threatened strike been successful. The Seamen's Union, linked with the American Federation of Labor through the International Seamen's Union, claims to have enrolled 80% of the 5,000 sailors. Even after discounting this claim, a strike called by the union might have seriously crippled eastward movement of grain and general movement of lake freight at the peak of the season.

Companies participating in the general agreement here were as follows:

North American Transportation Co., Mohawk Navigation Co., Inland Lines Ltd., International Waterway Navigation Co., Hall Corp. of Canada, Paterson Steamship Co., Upper Lakes and St. Lawrence Transportation Co., Blue Line Motorship Co., Norris Steamship Co., Northland Steamship Co., Sarnia Steamships, McKellar S.S. Co., Huron Steamship Co., Keystone Transportation Co., Canadian Lake Carriers Ltd., Gulf and Lake Navigation Co., the Transportation Department of Algoma Steel Corp., Union Transit Co., Foote Transportation Co., and Colonial Steamships Ltd.

Board Head Hits N. B. Power Deal

From Our Own Correspondent

MONTREAL.—Possibility of the New Brunswick Government purchasing the New Brunswick Power Co. plant at Saint John is remote following the public statement by Hon. W. S. Anderson, chairman of the New Brunswick Electric Power Commission, that he is "not in favor of having anything to do with the transaction."

Attempts were made to sell the major part of the New Brunswick Power Co.'s properties to the city of Saint John, but the civic council voted against the deal.

General Tax Drive On Banks Feared If Aberhart Wins

Constitutional Battle Heads Rapidly Toward Climax

NEW VETO SEEN

From Our Own Correspondent

EDMONTON.—The Social Credit Government set its course for direct defiance of the jurisdiction of the Federal Government in respect to disallowance, when Hon. Lucien Maynard, minister of municipal affairs, introduced a resolution in the Alberta Legislature declaring that the Provincial Parliament upholds the Aberhart Cabinet in refusing to recognize disallowance.

The resolution also declared approval of the intention to proceed to put into effect the legislation, consisting of three acts, which the Federal Government disallowed in August.

At the same time, Mr. Maynard disclosed that a bill would be introduced to revive the three vetoed acts, restoring them as law in Alberta. The Government apparently changed its mind later, deciding not to re-enact the vetoed measures, but proceed as if disallowance had not been applied to them.

Nearing Climax

In these developments, Canada's most serious constitutional crisis involving Dominion-provincial relations, since Confederation, took on even more grave aspects. The attitude of Ottawa and the attitude of the lieutenant-governor of Alberta, Hon. J. C. Bowen, were awaited with interest.

The scene was moving quickly in Alberta, and speedy developments were looked for. The Maynard resolution, intensifying the Alberta constitutional crisis, put the choice squarely on the private members of the Legislature, whether or not they would support a policy of defiance of Federal jurisdiction.

Interest centred on the attitude to be taken by Lieut.-Gov. Bowen, whether he would accept the advice of Premier Aberhart or would refuse to sign the bills.

First Round Opens

First round of the Government's new push to advance its Social Credit programme came before the special session of the Legislature opened Sept. 24, when the Cabinet passed three orders-in-council designed to achieve the result sought in an amendment to the Judicature Act, one of the Alberta acts disallowed by the Federal Government.

The Judicature Act amendment prohibited court action to test the validity of any provincial statute without Government consent, and the new orders-in-council instruct court officials not to accept and file papers and documents in connection with an action to test the validity of provincial statutes.

Defeat to the tune of 42-13 was voted for a resolution by C. Cockcroft, former treasurer, seeking establishment of a provincial bank. The proposal called for raising of capital by contributions from members' indemnities and ministers' salaries, and sale of baby bonds to the public.

Other Provinces Might Follow If Move Successful

930% INCREASE

Alberta's move to increase taxation on banks 930% is being watched closely in financial circles.

It isn't so much the new Alberta tax threat that worries bankers as what it would mean if multiplied by nine—if each of the provinces took it up. At the same rate taxation would then approach the $20 millions mark.

Bank heads, carefully following the progress of events in Alberta, say they have reached no decision as to how the move might be combated.

"The proposal is not yet law and if it does go through, then surely the Dominion Government would step in," declared one bank president.

Ontario, Quebec Levies

So far, Ontario and Quebec are the only provinces which have imposed taxes of the type which Mr. Aberhart plans. Other provinces charge a relatively small levy usually based on the number of branches, or on monthly business.

Ontario and Quebec have gone farther. Ontario asks one-fifth of 1% on paid-up capital, one-tenth of 1% on reserve fund and undivided profits, plus a tax on the number of branches.

Quebec takes 1/10% on paid-up capital, a fee based on the number of branch offices, plus a surtax of 45% of the above taxes.

Mr. Aberhart far outdoes Ontario and Quebec with his scheme. How to fight the measure, none of the bankers would express any opinion. Asked if the extra taxation would be passed on to the public, all interviewed pointed out that "even banks have no magic fund for meeting these coercive charges."

Spread of the Alberta taxation proposals would open the possibility of higher rates on borrowed money, lowered returns on deposits and increased banking service charges.

The Bank Tax

From Our Own Correspondent

EDMONTON.—The Social Credit Government's big-stick taxation on banks was disclosed by Hon. E. C. Manning, minister of trade and industry, as ½% on paid-up capital and 1% on reserves and undivided profits.

The amount of this annual levy on the chartered banks operating in Alberta will be about $2,093,000 compared with a tax bill of about $222,000 now charged to the banks by the province. From a budget point of view, the new tax scheme would increase the load carried by the banks from about 1% to about 10% of the total taxation imposed by Alberta.

The chief bank tax now levied by Alberta has been one-tenth of 1% on paid-up capital.

Details of most of the Social Credit Government's programme of legislation, for which a special session was called, were disclosed as the session opened.

Debt Adjustment

In addition to re-enactment of bank control and passage of the bank taxation proposal, the programme included an amendment to the Debt Adjustment Act, whereby the debt adjustment board was empowered to instruct a debtor to retain a share of crop beyond his contract share to supply himself with the necessities of life, feed for his stock and seed grain.

A consolidation of business licensing legislation passed in previous sessions, with some new amendments, was brought in by Mr. Manning.

Publishers Buy $50 Newsprint

200 U. S. Newspapers Sign Contracts at Advanced Price

From Our Own Correspondent

MONTREAL.—More than 200 American newspaper publishers have signed contracts with Canadian manufacturers for their supply of newsprint paper during the first half of 1938 at the advanced price of $50 a ton. At the moment no particulars are available as to the tonnage involved.

The newsprint industry is still awaiting with keen interest. Great Northern Paper's price policy for 1938. The latest report is that directors of Great Northern will meet at the end of this week and that while no public announcement will be made, the company's policy likely will be known the following week.

Various reports are being circulated as to what Great Northern intends to do. The most optimistic report is that the company will set a price of $50 for all of 1938, rather than for the six months as Canadian operators have announced. Others incline to the opinion that the company will set a price moderately below $50 in order to strengthen goodwill with the buyers.

C.P.R. Profit Off in August

But Eight Months Earnings Ahead of 1936

From Our Own Correspondent

MONTREAL.—Both gross and net earnings of the Canadian Pacific Railway showed a slight decline in the month of August. However, the decline in net earnings was less than the decrease in gross revenues as operating expenses were reduced despite wage increases granted this year.

This is the first month in the current year that a reduction in gross and net earnings has been reported by the company.

Results of the Canadian Pacific for the month stand in contrast with those of the Canadian National, which reported a decline in net earnings although gross earnings increased. In the case of the Canadian National, the increase in operating expenses was greater than the rise in gross revenues.

Hope For Better Results

Present indications are that the Canadian Pacific will be able to report slightly better results than last year despite the failure of the wheat crop in western Canada which resulted in a substantial drop in grain traffic. To date, the reduction in grain traffic has been largely offset by increases in car loadings of other commodities, as is indicated by the fact that August is the first month in which a reduction in gross earnings has been reported.

While further declines in net earnings can be expected in each of the

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Highlights

Another Depression?

Weaknesses do exist but favorable showings predominate in Canada's business picture. Page 9

Moscow Exiles Flivvers

Objectives in Russia's schemes of industrial production seem hard to reach and this failure explains much of the political purges. Page 9

Gas Price War?

Joy Oil Co. seeks a share of the retail distribution of gasoline in Ontario and Quebec, but its entrance is feared by other distributors. Page 13

Youth Training

A widespread programme is under way in Ontario in connection with the Dominion-Provincial Youth Training scheme. Page 8

Bond Buying in Retrospect

In 1927, an investor might have bought the list of corporation bonds selected by The Financial Post, but his list would have shown many changes in the meantime. Page 3

Losses in Base Metals

Market values for four Canadian base metal producers are down $600 millions, yet each company shows the best year in its history. Page 15

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MEN'S SHOP

MEN'S SHOP
EATON'S-COLLEGE STREET

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EATON'S-COLLEGE STREET

Canada's Newsprint Exports Down in August

From Our Own Correspondent

MONTREAL. — Canada's exports of newsprint paper during August were valued at $10.6 millions, according to a report released by the Dominion Bureau of Statistics. This was lower than the $11.2 millions in July, but 17% above $8.9 millions in August, 1936.

Cumulative exports for the first five months of the fiscal year reached a figure of $53.2 millions, a gain of 20% from $42.3 millions in the same period last year.

The leading buyer of newsprint during August was the United States which took nearly $8.8 millions worth. Japan bought $377,000, Australia $364,000 and the United Kingdom $260,000.

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WINDSOR, ONTARIO

Of course, when in Montreal, it's the beautiful Mount Royal Hotel.

ALL UNDER THE DIRECTION OF VERNON G. CARDY

The Nation's Business

(Continued from page 1)

meet the western drought situation.

3. The decline in purchasing power which is probable in Canada in the next few months as a result of unusually small wheat marketings; the drastic slump in stock market values and the general hesitancy in fourth-quarter business.

There will be plenty of time to count Ottawa's financial chickens in four or five months time, but to do so now on the basis of the excellent six-months period just completed is to court disappointment.

* * *

Putting Banks Out of Business

THE latest version of Aberhartian madness is his vindictive legislation to place a confiscatory tax on banks. There is nothing new about the type of tax. Similar taxes are already in effect in Quebec and Ontario.

But for every dollar of tax collected in Ontario there will now be $5 of taxation imposed in Alberta if the new law is put into force. Similarly for every dollar of present Quebec tax the new Alberta impost would collect no less than $10.

Thus the Alberta tax must be looked at from the viewpoint of Canada as a whole. Multiply the increased cost of the new Alberta tax ($2.3 millions annually) by nine, and the really confiscatory nature of the proposed measure becomes apparent. It would mean (if all provinces followed Alberta's example) an annual tax of $18.9 millions over and above federal taxes. This is just $3.2 millions more than the total net profits (after taxes) of all Canadian chartered banks in 1936.

* * *

What About the Textile Probe?

IN FEBRUARY, 1936, the Federal Government appointed a one-man Royal Commission to investigate the textile industry in Canada. For days newspapers were full of the alleged abuses which were to be investigated. Subsequently headlines screamed for weeks on end as "startling" revelations were uncovered by legal counsel retained by the Government to prosecute its investigation.

Meanwhile 84 weeks have elapsed. Nothing has been heard from the commissioner.

Conditions investigated last year have changed. Wages scales are different in many plants, labor conditions have altered. At least one company which paid no dividend at that time has since commenced such payments. The original reason for the probe, namely the special valuation of Japanese currency by Ottawa, has well-nigh been forgotten by most people. Certainly conditions of trade with that country are now in a very different state.

Eventually a report may be expected and it may be a good report. But since the commissioner, Hon. Mr. Justice Turgeon, is still busy probing grain, it is unlikely that anything will be done even to prepare the textile report before November at the earliest.

No matter what is done, then, its effectiveness cannot help but be impaired by the long months that have elapsed since the enquiry started and since the evidence was taken.

Why waste thousands of dollars of taxpayers' money like this? Why not at least have let Mr. Turgeon complete one probe before starting with the next?

* *

Ontario Leaders Split On Waterway

ONE issue of great importance to business which seems to hang quietly in the balance in the Ontario election is the St. Lawrence Waterway. Admittedly the next move is up to President Roosevelt, but assuming he is still favorable to the project and can carry his plan through the U. S. Senate, then the last word will remain with Ontario's next premier —whoever that may be.

If Mr. Hepburn is re-elected for another five-year term, the St. Lawrence Waterway will be dead and buried for that period. He has definitely come out on the platform against the project. And there is no reason to doubt his sincerity on the point. The only reason he would change his mind (and it would not be the first time, if he did so) would be his conversion to the view that Ontario faces a real power shortage over the next decade and that the million or more potential horsepower within the borders of the great river must gradually be harnessed.

As for Mr. Rowe, his Waterway platform pledges co-operation with Ottawa to develop the St. Lawrence as a power project to ensure adequate sources of supply for industrial development in the province. Accordingly his election to the premiership would open the Waterway door as far as Canada is concerned once Ottawa and Washington were able to reach agreement on international considerations.

As a navigation scheme the St. Lawrence Waterway project seems to offer steadily less appeal as the years go by. As a matter of fact no real study has ever yet been made to prove or disprove its economic soundness as a waterway. Future development seems to depend more and more on its hydro-electric possibilities.

Sooner or later it seems certain that this great source of energy will be tapped either by private or public enterprise—or both. With the amazing growth in power usage (especially in Ontario) it would not be surprising if this development were to come to a head sooner than most people think. But it would be a St. Lawrence power development primarily and not chiefly a ship canal. Power is what Washington wants. Power is what Ontario may need soon.

Steel Wares Scheme For Paying Off Arrears Gets Mixed Reception

(Continued from page 1)

until this item is eliminated from the balance sheet.

With more or less normal business, the company can earn enough to maintain the preferred dividend. Last year Steel Wares earned $908,958 before depreciation and interest charges. Allowing $250,000 for depreciation, the company had a net profit after interest charges of $280,215 on the new basis of $378,743. This compares with $315,000 needed to cover preferred dividends.

Both sales and earnings this year are running at a higher figure and allowing for an increase in the depreciation reserve to $300,000, there should be a surplus available for the common stock after making provision for preferred dividends.

Eliminate Liability

Why, it has been asked, if earnings of the company have reached a level more than sufficient to cover preferred dividends, after interest and depreciation, can dividends not be resumed in 1938 and the arrears paid off out of surplus? The directors claim, however, that the present working capital is needed for normal operations. It would require many years to pay off arrears in cash, but through the issuance of stock, the company would be strengthened not only by the elimination of the contingent liability, but the common stock offered would give shareholders a means of realizing on these arrears immediately, at least in part on present market values and possibly in full if and when financial markets return to normal.

The principal criticism of the plan is that the 2½ shares of common stock do not represent fair compensation for the more than $50 of arrears. The basis of this argument, of course, is that the market value of the common shares offered is only about $25.

It should be mentioned here that the common stock offered is not subject to Dominion income tax. This is of minor importance to the majority of the 1,650 ureferred shareholders, but of major importance to the large holders.

It is unfortunate that the company's plan was brought out at a time when stock market values had just undergone severe deflation. When the plan was originally conceived, Steel Wares stock was selling between 15 and 18, at which level the market value almost equalized the amount of the arrears.

With the stock now selling around 11, it may be unfair criticism to compare the market value of the 2½ shares offered with the face value of the arrears.

A fairer basis would be to take the value of the arrears, considering that many years would elapse before complete payment was made out of surplus or to consider the value placed by the management on the equity offered in relation to the balance retained by the common shareholders.

If money is worth, say 6%, then the arrears have a present value of about $30 a share of preferred stock. The market value of the 2½ common shares at $11, would be $27½, indicating that the "present worth" of the arrears is not far above the realizable value of the shares offered.

The second basis is to consider whether the management has placed too high a value on that proportion of the equity offered to preferred shareholders. With the arrears at $50 a share, the equity offered, 36% of the common, has a theoretical value of $2,250,000. This places a value of $6,250,000 on the common stock.

The value of General Steel Wares as a going concern, on this basis, would be the face value of the bonds, plus the preferred and common, or $17,327,000 in all. If this capital figure is not an excessive one, the proportion offered to the preferred shareholders would appear to be a fair one.

Receiver Recommended For Adelaide-Sheppard

Holders of 7% first mortgage bonds of Adelaide-Sheppard Co., at the adjourned meeting on Sept. 10, 1937, recommended that a receiver be appointed to act with A. J. Holmes, executor for the estate of Mrs. Theresa Small. A committee of five was appointed to act on behalf of bondholders along with the Royal Trust Co. who are trustees for the bonds. The committee includes: W. R. Sweeny, chairman; Percy Hermant, J. R. Meggeson, Toronto; John W. Gordon, St. Catharines; Mrs. Catherne Huffman, Leamington. Negotiations are continuing but no further action has been taken.

The meeting was originally called to approve waiving bond interest due in 1938 and 1939, while permitting the estate of Mrs. Small to remain in possession and to permit diversion of money borrowed on life insurance policies to meet exdemption.

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New Scheme Possible In Abitibi Shake-up Bond Opposition Grows

(Continued from page 1)

the last few months has so completely changed the company's position that there now appears no reason why bondholders should make the sacrifices involved in the plan.

The criticism is expressed that the Ripley plan entirely takes away from bondholders their first mortgage position, giving them 38.03% of their claim in second mortgage bonds, 53.24% in unsecured debentures and 8.73% in common stock.

The letter states that with $50 newsprint it is not unreasonable to expect Abitibi's 1938 earnings to exceed $10 millions, or more than three times its interest charges. On present prospects it says, the issue of $14 millions of prior lien bonds provided in the Ripley plan would appear quite unnecessary.

The letter describes the Defensive Committee as "formed to protect the interests of the first mortgage bondholders regarding the features of the plan (the Ripley plan) which the committee may consider are not satisfactory from the bondholders' point of view." It adds, "The company can be reorganized today on a basis which would fairly recognize the bondholders' position."

In a criticism of the reorganization plan of the Bondholders' Representative Committee, R. S. McPherson, liquidator for Abitibi, gives clues to his estimate of probable earnings in 1938.

Based partly on estimates and partly on statements of Mr. McPherson, The Financial Post calculates that his figures suggest earnings in excess of $11 millions available for interest, depreciation and other purposes in 1938.

He puts working capital at $13 millions at the end of 1938, suggesting an increase of about $6 millions in the year. That is after earning the money to pay creditors and reorganization expenses, probably not less than $2 millions. It is also after allowing for payment of interest, probably about $3¼ millions to bondholders. Those make a total of $11¼ millions of 1938 earnings.

Depreciation charges would be deductible at about $1.5 million a year, but Mr. McPherson makes it plain that this still leaves the money with the company to make capital expenditures.

Rothermere Predicts Big Future for Canada In Pulpwood Age

(Continued from page 1)

the Sunday Dispatch, London, has been in Toronto for the greater part of five months with a watching brief in the Abitibi affair. The Rothermere interests in Abitibi consist chiefly of bonds with considerable holdings of preferred and common shares.

The Financial Post understands that Lord Rothermere has already indicated his enthusiasm for the possibilities of pulp in connection with Abitibi. Besides emphasizing that expenditures of millions on Abitibi properties can only be made over long periods of time, he is understood to have suggested at a recent private Abitibi gathering in Toronto that plant outlays should be directed more toward pulp production than to newsprint paper

Besides Abitibi, Lord Rothermere's investments in pulp and paper lie in Anglo-Newfoundland Development Co., Price Bros. & Co., Consolidated Paper Corp. and in the former Chandler pulp mill at Gaspé. His largest and earliest interest is in Anglo-Newfoundland whose properties at Grand Falls in the ancient colony have been developed by the Harmsworth brothers, the late Lord Northcliffe and the present Lord Rothermere, for 27 years.

Montreal Contemplates Interest Cut on Arrears

MONTREAL.—At the next session of the Quebec Legislature, the City of Montreal will seek an amendment to its charter to enable it to cut the rate of interest on arrears of special taxes.

The present rate is 6% for the first 60 days and 7% thereafter. These rates also apply to the property tax, but it is doubtful whether permission will be sought to cut interest on the property tax.

Maple Leaf Milling Has Surplus for Year

(Continued from page 1)

ance of the Canadian carryover and government estimate that the western crop is only 164,000,000 bushels of wheat, he says: "Canadian wheat prices are relatively higher than those of other exporting countries. This may mean a further decrease in export business which the Canadian mills need so badly and are fully equipped to handle."

Situation in 1938

While the company's year showed improvement, it is apparent that unless there are unexpectedly favorable developments in the meantime, some further relief will be required next year when the present 5-year reorganization scheme terminates. The portion of bank and bond interest now being paid by issue of class A stock will become payable in cash. Dividends, which seem unlikely to be paid, will start to accrue from Dec. 1, 1938.

The balance sheet shows a reduction of nearly $1 million in current bank loans due largely to smaller inventory. However, working capital position was improved due to increased income and proceeds of sales of collateral security and insurance claims on the Steamship Benmaple which was sunk in collision a year ago. There would have been a further improvement in the current position but for redemption of the remaining 6% bonds of Hedley Shaw Milling Co. for $121,800.

Current assets are now approximately equal to current liabilities. But the position in 1938 will be affected by the fact that deferred bank loan of $2 millions, not now among current liabilities, may have to be dealt with.

Intangible assets, in the item leases and contracts, have been written down from $1,094,699 to $725,000, by applying depreciation of $128,949 previously provided thereon and transferring the reserve for contingencies of $240,750. This amounts to a simplification and deflation of the balance sheet. The auditors certify the balance sheet subject to adequacy of the total reserve for depreciation and present value of fixed assets carried at 1929 appraisal values.

Income and Surplus Account
Years Ended July 31

	1937 $	1936 $
Operating earnings ..	548,265	458,807
Add: Inv't. income ...	14,182	......
Net earnings	562,447	458,807
Less: Depreciation ...	180,504	172,003
Cash bond interest..	131,953	134,372
Bond int. pd. in stk.	129,374	129,374
Bank int. pd. in stk.	88,760	88,760
Eastern Bakeries div.	13,000	13,000
W/o leases & contr.	......	50,000
Income taxes	4,000	......
Surplus for year	14,856	*128,702
Add: Prev. surplus ..	175,895	298,952
Recovery from collateral security ..	1,475	5,645
Sale of shs. held ...	58,773	......
Less: Loss on abandonments and S.S. Benmaple	69,825	......
Surplus forward	181,174	175,895

*Loss or deficit.

Working Capital

	1937 $	1936 $
Current assets	3,774,945	4,394,263
Current liabilities	4,015,810	5,046,370
Excess curr. liabilities	240,865	652,107

C.P.R. Profits Down Slightly for August

(Continued from page 1)

remaining four months, the company is hopeful that continued improvement in other lines of traffic and reduction in expenditures will enable it to hold some of the gain recorded during the first seven months of the year. Furthermore, it is expected that earnings of company from sources other than rail traffic will show improvement. Hotel business has been slightly better, and both ocean and lake steamship traffic has shown a marked increase. In addition, larger income will be received from its investment in Consolidated Mining and Smelting Co.

Soo Line Deficit Increases

Present indications are that the Minneapolis, St. Paul & Sault Ste. Marie Railway will again be a heavy drain upon the company's profits. Deficit of the Soo line in the first eight months of the current year totalled $3,996,000, compared with $3,943,000 in the same period last year. For the month of August the deficit amounted to $373,516, compared with $285,053 in August of last year.

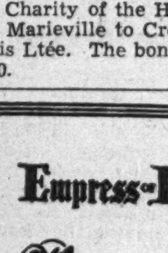
Comparative figures of Canadian Pacific earnings are given below:

Monthly Earnings

	1937 $	1936 $
Month of August		
Gross earnings	11,914,930	12,009,639
Working expenses ...	11,338,316	11,375,154
Net earnings	576,614	634,485
8 Mos. end. Aug. 31		
Gross earnings	90,746,718	85,631,415
Working expenses ...	80,814,490	77,226,830
Net earnings	9,932,228	8,404,585

Hospital St. Croix of Marieville

An issue of $45,000, 4% bonds, due 1942-47, has been sold by the Sisters of Charity of the Hospital St. Croix of Marieville to Crédit Anglo-Francais Ltée. The bonds are offered at 100.



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Canadian Pacific

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Aylmer, Ont.	Sept...	Isard, Robertson & Co., Goulding, Bulmer & Co.	4%	20-ins.	$90,000	..	.....
Fredericton, N.B.	Sept...	W. C. Pitfield & Co.	3½%	1947	10,000	..	.....
Cobourg, Ont.	Sept...	J. L. Graham & Co.	3%	10-ins.	6,648	..	.....
Provincial—							
New Brunswick	Sept...	Privately in U. S.	3¼%	5-yr.	3,250,000	..	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Sisters of Charity of Hospital St. Croix of Marieville	Sept...	Credit Anglo-Francais	4%	1942-47	$45,000	100	.....
Stock Issues:							
Cub Aircraft Corp.	Sept...	Williams, McLean & Bell	6%	Pref.	7,320 shs.	$25	.....

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Bond Buying in Retrospect

Where Does Investor in Corporation Securities Of 1927 Stand Today?

The 1927 Investor

What He Paid September, 1927						What He Has September, 1937						
Company:	Bond int. %	Description Due	Principal amount $	Cost $	Income $	Company:	Amt. $	Bonds %	Due	Stocks	Market value $	Income $
Abitibi P & P.	6	1940	1,000	1,047	60	Abitibi P. & P.	1,000	5	1953	cash premium of $50 received	740	nil
Alberta-Pac. Grain.	6	1946	1,000	975	60	Alberta-Pac. Grain .	1,000	6	1946		*750	60
Bell Telephone ...	5	1957	1,000	1,021	50	Bell Telephone	1,000	5	1957		1,160	50
P. Burns & Co.	6½	1943	1,000	1,025	65	Burns & Co.	1,000	5	1958	5 shs. class A	*650	50
Canada Biscuit Co..	6½	1946	1,000	1,005	65	McCormick's Ltd. ...	750	4	1952		*435	30
Canada Steamship.	6	1941	1,000	987	60	Canada Steamship ..	600	5	1957	$655 5% pref. 3 shs. com.	612	30
Duke-Price Power.	6	1966	1,000	1,051	60	Saguenay Pwr. Co. ..	1,000	4¼	1966	cash premium of $45 received	1,030	42.50
H. Smith Pap Mills	7	1941	1,000	1,037	70	H. Smith Paper Mills	1,000	4¼	1951	cash premium of $90 received	995	42.50
Montreal L., H. & P.	5	1951	1,000	1,006	50	Montreal L., H. & P.	1,000	3½	1956	cash premium of $40 received	1,000	35
Port Alfred P. & P.	6½	1943	1,000	1,012	65	Consol. Paper Corp..	1,000	5½	1961	10 shs. com.	797	†55
Price Bros.	6	1943	1,000	1,037	60	Price Bros.	1,000	5	1957	cash premium of $75 received	960	50
Simpsons, Ltd.	6½	1945	1,000	1,030	65	Simpsons, Ltd.	1,000	4¼	1951	cash premium of $80 received	940	42.50
				12,233	730						10,069	487.50

*Approximate values. †Approximate value of five shares of common stock received in lieu of interest.

Note:—As a result of the redemption of several of the bonds concerned total cash premiums of $390 have been received since 1927.

By **ARTHUR D. ELLWOOD**

How would an investor who bought representative corporation bonds in September, 1927, have since fared?

The Financial Post has selected 12 bonds of leading Canadian corporations quoted around par in 1927 and has followed the fortunes of an investor who might have made and persisted in this selection.

In September, 1927, these 12 average corporation bonds cost $12,233, a premium of $233. After allowing for eight reorganizations and eight redemptions, the market value at the end of September, 1937, would have been $10,069, a depreciation of $2,164 in principal.

The bonds were selected in an effort to provide a cross section of representative Canadian industrial investment through the last decade. All were actively traded in 1927.

Lower Income

A bond buyer looks for security of principal and a fixed return on his investment. It has already been shown that, in this case, he has not been able to maintain his principal, but the loss is small compared with his loss in income. When this portfolio was first analyzed, annual income was at the rate of $730, a return of approximately 6% on the cost. Today it would be $487.50, or a return of approximately 4.8% on a market value which is much less than original cost. Even this figure of $487.50 for 1937 income includes the calculated value of five shares of common stock of Consolidated Paper Corp. given to bondholders in lieu of interest.

The investor in bonds, at least in Canadian corporation bonds, cannot afford to buy a long term bond and lock it away expecting to have no further worry about his investments. In only two of the 12 companies analyzed are the original securities bought in 1927 still outstanding. The 5% bonds of Bell Telephone Co. have not been disturbed and this, incidentally is one case where market value today is more than cost in 1927. While the 6% bonds of Alberta-Pacific Grain Co. have not been disturbed, their market value today is considerably less than in 1927 and sinking fund on the bond issue is in default for the past three years.

It is possible to trace the changes which took place in each company finally resulting in conditions as they are shown today.

Abitibi 6's

The investor seeking to buy a bond of Abitibi Power & Paper Co. in 1927 would probably have chosen the 6% general mortgage bonds, due Jan. 2, 1940. On July 2, 1928, however, this issue was redeemed at 105 and accrued interest. As in each case it has been assumed that the investor desired to continue his holdings in a bond issue of the company, the proceeds of the redeemed issue would have been reinvested in the present 5% first mortgage bonds, due 1953, which were offered at 94½ in June, 1928. A cash margin of $95 would have been realized on this transaction. On June 1, 1933, Abitibi defaulted on interest due on its 5% bonds and the investor has received no income from this holding since that time. By Dec. 1, 1937, accumulated and unpaid interest will amount to 25% of the principal. At present efforts are being made to reorganize Abitibi Power & Paper Co. and it is not clear yet how bondholders will fare.

Burns & Co.

The present Burns & Co. was incorporated in 1928 to take over the assets and undertaking of P. Burns & Co. The old 6½% bonds were redeemed in 1928 at 104. A 5½% issue was sold to provide funds. Interest payment on this issue was postponed by permission of bondholders from June 1, 1932, and on March 12, 1934, a plan of reorganization was adopted. Among other things, this reorganization provided for cancellation of unpaid interest which became due in 1932, and 1933. Bondholders gave up two years interest at 5½% and received new bonds on half of which interest was paid at 2% in 1934, 3½% for 1935 and 5% from Jan. 1, 1936, to maturity. On the other half of the new bonds given, interest is payable out of income as earned. None was paid on this half in 1934, but 5% has been paid for 1935 and 1936. In return for the substantial loss in income, bondholders were given five shares of new class A stock, the value of which has been included in showing the present market value of holdings in Burns & Co.

Canada Biscuit—McCormick's

An investor buying the bonds of Canada Biscuit Co., as McCormick's Ltd., was known in 1927, would have had to pay 100½ for the 6½% bonds. In 1932 bondholders agreed to cancel the interest due in 1932 and 1933, receiving in return 10 common shares for each $1,000 bond. No interest was paid when it again became due on Nov. 1, 1933, and in 1936 another reorganization gave bondholders $500 in new 5½% income bonds and $500 in 6% non-cumulative preferred for each $1,000 bond. Their common shares were untouched. In 1937 George Weston Ltd. purchased control of the company. Bondholders received $90 in new 4% guaranteed first mortgage bonds for each $100 of bonds held, $25 in the same bonds for each $50 of preferred and, among other alternatives, $25 of the 4% bonds for each five common shares held. Assuming that the bondholders accepted the new 4% bonds, he will now have $750 in 4% bonds for the $1,000 6½% bond which he originally bought in 1927.

Canada Steamship

The 6% general mortgage bonds of Canada Steamship Lines, Ltd., could be bought for 98¾ in 1927. In April, 1933, interest payments were defaulted. In Jan., 1937, the company was reorganized and for each $1,000 bond, investors received $600 in new 5% bonds, $655 in new 5% preferred stock and three new common shares. Arrears of interest were cancelled. The 5% interest on the new bonds was paid when due in 1937 giving an income of $30 a year when in 1927 $60 was received.

Duke-Price—Saguenay

Interest was paid regularly on the 6% first mortgage bonds of the former Duke-Price Power Co. The name was changed to Saguenay Power Co. in 1935 and on July 1, 1936, the former 6% bonds, due 1966, were redeemed at 104½ plus accrued interest. Investors had the option of accepting new 4¼% bonds which were publicly offered at 100. If the $45 premium received for each $1,000 bond on redemption in 1936 is added to the present market value in this case the investor who purchased his bond in 1927 at 106¼ would find that he had a small profit on principal of about $24 dollars but is now receiving $17.50 less income annually for each $1,000 bond.

Howard Smith

The investor who bought a $1,000 7% bond of Howard Smith Paper Mills at 103¾ in Sept., 1927, has also fared comparatively well. It is true that his 7% bond was redeemed in 1928 at 105, but he could continue his investment in company with a 5½% first mortgage bond due 1953. This 5½% bond was also redeemed on Dec. 1, 1936, at 104, making a total cash premium received through these two redemptions of $90 per $1,000 bond. This, however, was somewhat reduced when he had to pay 101 for the new 4¼% first mortgage bond due, 1951 which he now holds.

Montreal L. H. & P.

The investor purchasing in Sept., 1927, the 5% first mortgage and collateral trust bonds, due 1951, of Montreal Light, Heat & Power Consolidated has always received his interest when due and his bond has never sold at much less than he originally paid for it. On April 1, 1936, however, the 5% bonds were redeemed at 104 and a new 3½% bond offered at 98.50.

Port Alfred—Cons. Paper

In 1927 the 6½% first mortgage bonds, due 1943, of Port Alfred Pulp and Paper Corp. could be purchased for 101¼ but since the Nov. 1, 1930, interest payment, bondholders have received no cash income from this investment.

In Oct., 1929, the ill-fated Canada Power & Paper Corp. acquired control of Port Alfred Pulp and Paper Corp., and in 1931 a reorganization resulted in the formation of the present Consolidated Paper Corp. Holders of the old Port Alfred 6½% bonds received the same principal amount in new 5½% first mortgage bonds on which interest was non-cumulative and payable only if earned to and including July 2, 1936. Ten shares of Consolidated Paper Corp. common stock were also received for each $1,000 bond. When interest on the new bonds became an obligatory charge on Jan. 2, 1937, the company was not in a position to pay it in cash and bondholders accepted 15 common shares in lieu of interest due in the three years ending July 2, 1939.

Price Bros.

Price Brothers & Co., was regarded as an outstanding Canadian newsprint manufacturer with important lumber interests in 1927 and its 6% bonds sold at 103⅞ in September of that year. Five years later, in August, 1932, the company failed to pay its bond interest. Long-drawn attempts to gain control of the company and reorganize it finally ended in Jan., 1937, when holders of the original 6% bonds receiving a cash payment of $141.30 for each $100 of bonds held. This represented the principal amount plus a premium of 7½% and accrued interest with interest on accrued interest to that date. In March, 1937 a new issue of serial and 20-year 5% bonds was offered, the 5% bonds at 99 and accrued interest.

Simpsons Ltd.

Simpsons, Ltd., was formed in 1925 to acquire the old-established Robert Simpson Co., Ltd. Its 6½% bonds, due in 1945, cost our investor 103 in 1927 but, when the present company was incorporated in 1929, this issue was redeemed at 104. A 6% first mortgage and collateral trust bond issue was sold and remained outstanding until Nov. 20, 1936, when it also was redeemed at 104. An issue of serial and 15-year 4¼% bonds was sold, the 4¼% bonds being offered at 100.

Down and Up

Merely taking prices and interest return on this portfolio in Sept., 1927, and then eleven years later does not tell the whole story. Great changes took place during that period. Rising stock prices but comparatively high interest rates continued until about the middle of 1929. Then came more than four years of extremely depressed business conditions and bond prices suffered, particularly when reduced earnings placed interest payments in jeopardy or compelled default, as happened in more than one case. A market valuation taken in 1932 or 1933 would have shown our investor's capital depreciated to a much greater extent than it is today.

Levelling Interest Rates

It is true that income has suffered greatly during much of this 11-year period and the investor has had to forego many dollars of interest that he should have had. It is scarcely fair, however, to compare the annual income of $487.50 on this portfolio today with that of $730 in 1927 and say that this is due to losses suffered in reorganizations or recapitalizations. Much of it is due to generally lower levels for interest rates prevailing for the past three years. This has permitted several of these companies to refund their bonds at lower interest rates effecting substantial savings and strengthening their financial position.

More than anything else, it must be clear that even first mortgage bonds which, to judge from market values at the time they are bought, must be regarded as high grade, require to be watched and studied if losses are to be avoided. Just as first mortgage bonds are considered a long-term investment by the purchaser so must he study their prospects from a long-term point of view and maintain a continual watching brief over his holdings aided by the most complete and reliable information available.

Dosco Pushes Ojibway Work

Strike at Sydney Mills Is Settled With No Concessions

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. is sparing no expense to get the Ojibway plant of the Canadian Steel Corp. into operation as soon as possible according to C. B. Lang, vice-president and managing director of Dosco's recently acquired subsidiaries.

"We cannot set any definite date on which the plant will be reopened, but we hope it will be soon," Mr. Lang said. "We are doing all we can to rush the work,. We intend to get the wire mill into operation first of all. If it is economically possible we will next proceed to reopen the tin plate and sheet plate divisions."

The strike at the rod and bar mills of the Dominion Steel and Coal Corp. at Sydney, N.S., has been settled, operations being resumed on Sept. 25 after a nine-day tie-up. More than 600 workers were affected by the strike since it stopped production in five other departments.

The strike was ended on the recommendation of the executive of the Sydney local of Amalgamated Association of Iron, Steel and Tin Workers of America following a conference between company officials the union executive and E. B. Paul, deputy labor minister for Nova Scotia. The strikers voted eight to one to return to their jobs.

The reason for the strike was the replacement of a union employee by a non-union man in the bar mill. While there is to be an investigation of the union's protest, the company has made no concessions

The strike at the No. 12 colliery of the Dominion Coal Co. at New Waterford after a four-day shutdown has also been settled.

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C. N.R. Reports Drop In August Net Income

From Our Own Correspondent

MONTREAL. — Operating revenues of the Canadian National Railways continued to show expansion in August, but net earnings were lower than in the same month of last year due to an even greater increase in operating expenses.

This is the first month since July of last year in which net earnings have shown a decline in comparison with the corresponding months of the previous year.

Despite the reduction in grain traffic in western Canada, gross revenues continue to increase. To date, the reduction in grain loadings has been more than offset by increased loadings of forest products, ore and manufactured goods.

Further Decline Expected

Indications are that a decline in net earnings will be reported in each of the remaining four months. Further decline in grain traffic is expected and it is doubtful whether car loadings of other products can maintain the rate of increase recorded in the first eight months. Further, operating expenses will probably show increases due to restoration of pay cuts.

Despite the fact that the remaining months of the year may show lower net earnings than in the corresponding period of last year, the report for the 12-month period is still expected to show an increase in net. The increase during the first eight months totalled $4.9 milions.

Comparative figures of revenues and expenditures are given below:

Revenue and Expenses

Month of August:	1937 $	1936 $
Oper. revenues ...	16,485,561	15,733,625
Oper. expenses ...	15,927,031	15,053,044
Net earnings	558,530	680,581
8 Mos. end. Aug. 31:		
Oper. revenues ...	128,144,860	116,491,348
Oper. expenses ...	119,959,483	113,248,524
Net earnings	8,185,377	3,242,824

Power Corp. Group Shows Further Growth

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's annual meeting of shareholders resulted in the annual report being approved and the board of directors re-elected. The remarks of the president, A. J. Nesbitt, were largely confined to a report of expanding power output by the operating subsidiaries.

During August the company's subsidiaries and associated companies reported an output of 191.2 million kw.h., an increase of 8.23% over the same month last year.

Each of the six reporting companies contributed to this increase, the principal gains being noted by Canada Northern Power, Winnipeg Electric and Southern Canada Power. Comparative figures are as follows:

(In kilowatt hours)

	1937	1936
Southern Canada ..	17,665,650	14,197,840
Canada Northern ..	55,003,605	50,230,825
East Kootenay	8,661,808	7,676,552
B. C. Power	45,077,138	43,675,362
Northern B. C.	990,652	953,936
Winnipeg Electric .	63,832,900	59,741,600
	191,231,753	176,676,113

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By Loewe of the Haymarket
LONDON — ENGLAND

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ANNOUNCING

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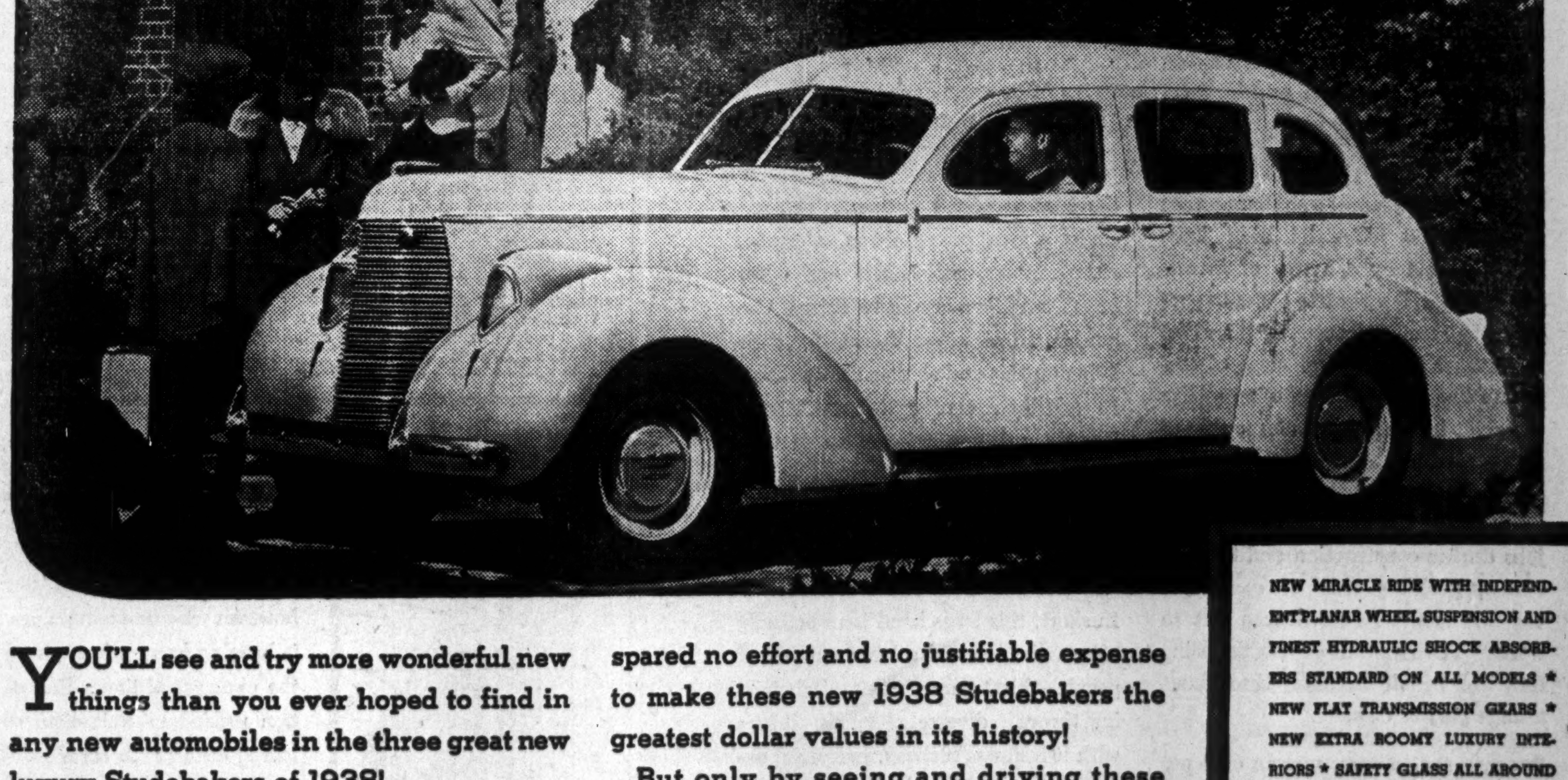

NEW MIRACLE RIDE WITH INDEPENDENT PLANAR WHEEL SUSPENSION AND FINEST HYDRAULIC SHOCK ABSORBERS STANDARD ON ALL MODELS * NEW FLAT TRANSMISSION GEARS * NEW EXTRA ROOMY LUXURY INTERIORS * SAFETY GLASS ALL AROUND * NEW MIRACLE SHIFT AND GAS-SAVING AUTOMATIC OVERDRIVE AVAILABLE ON PRESIDENT AND COMMANDER AT SLIGHT EXTRA COST * AUTOMATIC HILL HOLDER STANDARD ON PRESIDENT AND COMMANDER

YOU'LL see and try more wonderful new things than you ever hoped to find in any new automobiles in the three great new luxury Studebakers of 1938!

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Investment Trends

Bottom for Stocks Remains Indistinct

Some Recovery of Prices Normal After Decline — Opinion Inclines to View That Any Business Hesitation Should Be Temporary

The modest recovery of share prices from recent lows has raised the Montreal Stock Exchange index for industrial stocks above 85, the Toronto Stock Exchange average above 140 and the Dow-Jones average for New York over 150. Because the trend of stock prices invariably takes form in a zig-zag pattern, it is natural to expect a substantial recovery of prices even in the periods of month-to-month weakness.

There is general agreement among market analysts that there is no precise way of telling whether prices have definitely hit bottom.

The topic of whether the stock market decline means that another severe business depression is immediately ahead is being debated widely. Investment services are divided on the subject, although opinion seems to incline to the view that if a change in the recovery trend is at hand it will probably be a minor business setback rather than a full dress depression. Perhaps the most decisive "No" to the suggestion that another major depression is imminent is that of A. P. Sloan, Jr., chairman of General Motors Corp., who says:

"Irresistible forces of the recovery movement are still in the ascendancy, and while the rate of upturn may not be as rapid next year, the top has not been reached."

The stock market has once again demonstrated for the investor that even the best of stocks have the disadvantage of wide swings in price. It is the old story that at least half of the investors' funds should be held in liquid bonds. One consequence of the stock market decline is to emphasize this investment principle with the probable effect of delaying the next period of stock market speculation.

Pause Psychology

When stock markets are rising, investor psychology is optimistic and when they are falling the reverse is true. The recent weakness has brought more than the usual amount of depression conversation. Its importance cannot be disregarded because public psychology plays an important part in creating booms and depressions, major or minor. If enough businessmen take steps to prepare for curtailed volume it is likely to cause the very hesitation anticipated.

• • •

Economics of Recovery

Reasons commonly being given why there may be a marked hesitation in the business recovery are legion. One economist explains his belief that the top of prosperity is at least one year, and perhaps four years, distant as follows:

1. Production of durable goods, like houses and industrial equipment, has not become excessive.
2. Short-term interest rates remain well below long-term rates.
3. People are not extremely optimistic and probably have not gone too deeply into debt.
4. While commodity prices and wage rates have risen, it is not evident that they have got out of line with prices of manufactured goods.

In brief, this opinion is that practically all the important signs that suggest major depressions are notable chiefly for their absence.

• • •

Puzzle of Slump

It is always possible to conjure up causes for a stock market decline after it has happened. The decline in Canadian stock prices is to a large extent due to the slump in Wall Street, which has puzzled the best informed international authorities.

Two Government policies in the United States which contribute some weakness in the foundations of the business structure are the income tax on capital gains and the newer taxation of undistributed company profits. One instance of results of the undistributed profits tax may be seen in the case of Pressed Metals which has been increasing its dividends very sharply and issuing more stock to shareholders to pay for plant extensions. The idea is that the company avoids the tax by paying out most of its profits in dividends but then has to raise new capital for expansion.

A more twisted example is the case of American Cyanamid Co., which is proposing to create new 5% preferred stock ahead of the common shares so cash can be retained in the company and dividends paid in the form of preferred stock.

The obvious effect is to weaken the investor's position against the next depression.

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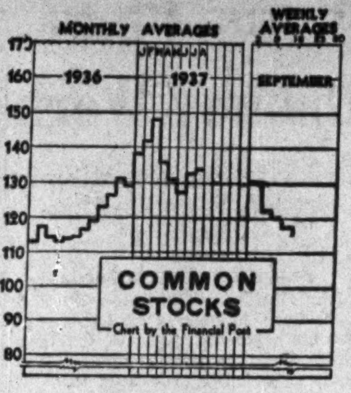
Tariff on Dividends

A form of taxation that appears to have contributed to stock market nervousness is the American levy on dividends and interest to outside investors. There has been renewed talk of an increase in the tax.

Earlier this year there was similar talk but it came to naught. The tax on Canadian holders of American securities has been cut to 5% and is expected to remain at that level. It is possible that rumors of increased dividend taxes have contributed to selling of American securities from London. Perhaps more important is the comment of a Canadian bank man that he understands there has been some tightening of credits in London for dealers who have been financing speculation there in American stocks.



BELOW 1936

Common stock prices dropped to carry the Dominion Bureau index to 117.6 for the week ended Sept. 23, compared with 122.1 for the corresponding 1936 week. Market movements in the closing days of the month left the index below the levels of last year. Indices are tabulated on this page.

Investment Notes

C. W. Lindsay—Sales of the company to date for the current fiscal year are reported to be running about 25% ahead of last year. With the big season still ahead, expectations are that revenue will show an improvement over those of a year ago.

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Building Products—Conditions in the building trade continue favorable and sales and dollar revenue of Building Products are reported to be moderately ahead of 1936. This is borne out by increased dividend distribution.

• • •

Dominion Bridge—This and other stocks of similar calibre are getting in the price range where they can be bought on yield rather than speculative possibilities.

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Russell Motor Car Co. — Sales of the company's two subsidiaries, Canada Cycle & Motor and Canadian Acme Screw & Gear, have been higher so far in 1937, compared with the corresponding period of 1936. Some increases in costs have also been noted but it is not believed that this has prevented a gain in profits. A $45,000 addition is being made to the Canada Cycle & Motor Co. plant and another, costing $18,000, has been made to the plant of Canadian Acme Screw & Gear, Ltd.

Keefer Realty Sells New Issue

Gairdner & Co. Underwrites $300,000 of New Bonds

From Our Own Correspondent

MONTREAL. — Conditional upon the approval of bondholders of the proposed reorganization, Gairdner & Co., Toronto investment firm, has undertaken to underwrite a new $300,000 issue of first mortgage bonds of Keefer Realty Corp. The new bonds will bear interest at rate of 5% and will mature in 1952.

Proceeds of the issue will be used to pay a tax loan of $10,000 from F. L. Beique Inc. and to make a distribution of 37 cents on the dollar to holders of the present first mortgage issue.

In addition to receiving $370 in cash for each $1,000 bond held, holders of the existing first mortgage bonds will also receive $300 principal amount of 5% income bonds and six class B shares.

The price to be paid by the underwriters for the new bonds is 95½.

Whaling Firm Cuts Arrears

Outlook for Anglo-Norwegian Holdings Is Obscure

From Our Own Correspondent

MONTREAL. — Anglo-Norwegian Holdings Ltd. plans to pay off two years arrears of dividends on its $7 cumulative preferred during the next nine months, according to an announcement by A. H. Lang, secretary.

The two years arrears are to be paid in four separate payments of $3.50 each, the first of which is payable Sept. 30 to shareholders of record Sept. 28. The other payments will be made on Dec. 31, 1937; on March 31, 1938; and June 30, 1938.

Upon the completion of the June 30, 1938, payment, dividends on the preferred will be two years, or $14 a share, in arrears.

Outlook Is Uncertain

According to official announcement dividends to be paid by subsidiary and associated companies for the current year will provide Anglo-Norwegian Holdings with sufficient income to make payment of two years arrears. Subsequent reduction of arrears must depend on results of the current year's operations.

The outlook, however, is not satisfactory, and directors have issued a warning to shareholders that in the absence of successful international negotiations for preventing overproduction, earnings of the whaling industry will be adversely affected. The situation is summarized as follows:

Overproduction Possible

"During the last few months, arrangements have been made, chiefly by Japanese and German interests, for a large increase in the number of whaling expeditions which will be operating during the forthcoming and subsequent seasons, and no success has so far attended the attempts made to organize the industry as a whole in such a way as to conserve the stock of whales, and to limit the amount of whale oil available in any particular year to the quantity required to satisfy the estimated consumption capacity of the different markets. In these circumstances, it is clearly possible that there may be in the future a recurrence of heavy overproduction; and it will be remembered that, when last this occurred, it resulted in a practically total cessation of whaling by other than consumers in the season 1931-32."

McCormick's Sets Date for Option

Common Shareholders Must Choose Exchange Option By Oct. 30

Oct. 30, 1937, has been set as the final date before which holders of McCormick's Ltd. common may exercise option privileges for exchanging their shares under the reorganization plan adopted on Aug. 24. They can accept one of the following alternative offers for their shares:

(1) By the first offer, holders of McCormick's common get, for each five shares of common, $25 in new 4% bonds, guaranteed by George Weston Ltd.; for each three shares held, and not provided for under the offer of bonds, one share of George Weston common; and a cash adjustment of $5 for each share not provided for under either of the two preceding provisions.

(2) Under the alternative offer, holders of each three shares of McCormick's common will receive one share of George Weston common and for each share not provided for under this offer a cash adjustment of $5.

These two provisions apply only to the common shares of McCormick's. Holders of first mortgage sinking fund bonds receive $90 in new 4% guaranteed bonds for each $100 now held. Holders of the 6% preferred get $25 in 4% bonds for each $50 par value share held.

Maple Leaf Gardens Pays 50c on Preference

A dividend of 5%, 50 cents a share, has been declared on the 7% non-cumulative preference stock of Maple Leaf Gardens, Ltd. This dividend will be paid on Oct. 15, 1937, to shareholders of record Oct. 1.

The company paid 35 cents a share in 1935 and 1936 on the preferred. The present payment indicates better earnings in the current fiscal year ending Oct. 31, 1937, as net profits in the preceding period were only 38 cents a share on this stock.

GENERAL MANAGER

W. E. Gordon has been appointed general manager of Purity Baking Co., with head office in Toronto. Mr. Gordon has been associated for years in an executive capacity with The Robert Simpson Co.

Coast Breweries Earns $1.37 a Sh.

Working Capital Shows Increase Over That a Year Ago

Net profits of Coast Breweries Ltd. for the year ended June 30, 1937, were equivalent to $1.37 a share compared with $1.11 a share in the preceding year. Gross profit, before deducting selling and administrative expenses and salaries, was $701,989 in the past year against $662,580.

Investments at June 30, 1937, include $105,318 in 5½% first mortgage bonds of Star Brewing Co. compared with $113,025 a year earlier. Advances to Capital Estates Inc. were $88,504 compared with $81,621.

Income Account
Years Ended June 30

	1937 $	1936 $
Gross profit	701,989	662,580
Less: Expenses	263,954	243,322
Net earnings	438,035	389,158
Less: Deprec. & income tax	190,524	189,098
Net profit	247,511	200,060
Less: Dividends	187,527	165,890
Surplus for year	59,984	34,170
Working capital	413,500	261,840

Calgary Power Makes Deal With Edmonton

From Our Own Correspondent

MONTREAL.—City of Edmonton has signed an agreement with Calgary Power Co. for stand-by power service for 13 months commencing Nov. 1 next.

This service will cost the city $2,000 a month if no occasion arises for use of the service provided. However, if an emergency does arise, the rate will be $3,750 a month for the full period of the agreement.

If the company should require power from the city plant then the charge for the first time will be $24,000 and $21,000 for the second time.

When the agreement expires on Nov. 30, 1938, it is expected that extensions to the city's plant will have been completed.

Port Royal Pulp Call Balance of 5% Bonds

From Our Own Correspondent

MONTREAL.—Port Royal Pulp and Paper Co. has called for redemption all of its outstanding 5% first (closed) mortgage bonds on November 1 next at 101 and accrued interest.

These bonds were recently replaced with a new issue, offered to the public by Eastern Securities Co.

Riordon Pulp and Paper Calls $59,000 of Bonds

From Our Own Correspondent

MONTREAL. — Montreal Trust Co., as trustee, has called for redemption $59,000 of 6% first mortgage bonds of Riordon Pulp and Paper Co. The bonds, which are for sinking fund account, will be redeemed Dec. 31 next.

Ford Hotel of Toronto Redeems $10,000 Bonds

First mortgage 6% bonds of Ford Hotel Co. of Toronto, to the amount of $10,000 have been drawn for redemption for sinking fund. Payment will be made on Nov. 1, 1937, at 101 and accrued interest by the National Trust Co., Toronto, or the Marine Trust Co. of Buffalo. Interest on bonds being redeemed will cease on Nov. 1, 1937.

Placer Firm Position Better

Subsidiary Operations Record Expansion During Past Season

From Our Own Correspondent

MONTREAL. — Placer Developments Ltd. notified the Montreal Curb Market that it now holds 30.6% share interest in Bulolo Gold Dredging; 34.48% in Pato Consolidated Gold Dredging; 41% in Asnazu Gold Dredging; 64% in Rutherglen Gold Dumps.

Bulolo Gold Dredging's net profit for the year ended May 31, 1937, before amortization, amounted to $3,585,975.

Pato Consolidated's two dredges dug 3,668,000 cubic yards during the year ended April 30, 1937, and 193,000 cubic yards were hydraulicked. Gold won realized $554,530. The field working profit was $307,000.

Reserves are estimated at six hundred million yards dredgable gravel averaging between fourteen and fifteen cents and thirty-seven million yards hydraulicking gravel averaging twenty-five cents.

Subsidiaries Are Active

Asnazu Gold Dredging, dredged 1,542,000 yards for recovery of $725,000. The working profit was $518,000 and $436,000 after deducting Colombian taxes and all overhead expenses. Gravel reserves are estimated at twenty million yards averaging forty cents and thirty million averaging twenty cents. Installation of a second dredge is under consideration.

Rutherglen Gold Dumps treated 149,000 tons for the year ended April 30, 1937, for a recovery of 56,558 pounds Australian. Profit, subject to depreciation and depletion amounted to 34,061 pounds Australian.

A new company, Gold Dumps, Limited, has been formed in Australia to take over certain other dumps referred to in the last annual report. Sixty thousand one pound shares are issued, of which Placer Development owns fifty thousand. A treatment plant of 500 tons daily capacity has now commenced operating.

Canadian Government and Municipal Statistics

New Booklet Now Available

The new edition of our Booklet "Canadian Government and Municipal Financial Statistics" includes:

(a) Concise financial statements of Canadian Provinces and ten leading Cities with ten year comparisons;

(b) Charts showing the comparative debts of the Provinces and Cities;

(c) Map of the Dominion of Canada.

We shall be pleased to forward copy of this Booklet upon request.

Wood, Gundy & Company
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36 King Street West, Toronto
TELEPHONE: ELGIN 4321

Central Pat's Net $333,387 in 8 Mos.

A net profit of $33,387 is estimated by Central Patricia Gold Mines, Patricia, Ont., producer, for the eight months ended Aug. 31, 1937.

Earnings per share for the 8-month period work out to about 13 cents per share, as compared with earnings of 16 cents per share for the entire 12-month period in 1936.

Record of the company's operations in the 8-month period is as follows:

Estimated Earnings
8 Months Ended Aug. 31, 1937

	$
Gross value of production	901,770
Estimated profit*	486,837
Less: Dom. & prov. taxes	50,750
Deprec. & defer. develop. w/o	102,700
Est. net profit for period	333,387

*Before providing for income taxes, deferred develop. and depreciation.

Tons milled	50,656
Recovery per ton	$17.80

CANADA STEAMSHIP LINES LTD.

5% 1st MORTGAGE BONDS
DUE 2nd JANUARY, 1957

We offer these bonds at the market to yield approximately 7.05.

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INCORPORATED
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MONTREAL
Ottawa Toronto

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	261.1	197.6	131.7	166.0	196.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	30.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	148.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Weekly Figures, 1937:												
Sept. 2 ..	144.0	37.7	96.6	223.4	78.6	179.0	133.4	185.1	85.8	89.6	62.4	130.9
Sept. 9 ..	134.3	32.4	92.7	210.7	76.0	172.4	123.9	168.3	79.4	88.2	58.1	122.7
Sept. 16..	123.3	29.9	89.3	203.8	74.8	166.2	118.9	158.8	78.1	86.7	57.2	119.8
Sept. 23 ..	120.2	28.3	89.2	203.8	73.0	165.6	117.8	156.3	78.5	85.1	57.2	117.6

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 28	140.63	112.46	130.20
Sept. 27	136.46	110.18	127.40
Sept. 25	136.43	105.84	124.10
Sept. 24	136.48	105.83	124.40
Sept. 23	141.91	109.39	131.87
Sept. 22	141.14	111.40	134.67
Month ago ..	160.60	122.05	161.24
Year ago ...	139.95	139.20	150.31
High, 1937 ...	167.67	168.59	215.38
Low, 1937 ...	136.43	105.83	124.10

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 28	74.0	85.2	81.5
Sept. 27	73.3	83.0	79.7
Sept. 25	71.7	80.2	77.3
Sept. 24	71.6	79.7	77.0
Sept. 23	73.8	86.0	81.9
Sept. 22	74.1	87.7	83.1
Month ago	79.6	106.2	96.7
Year ago	74.0	81.3	78.9
High, 1937	92.5	122.3	109.5
Low, 1937	71.6	79.7	77.0

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Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

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No. 3 of a Series—"Why an Investment House?"

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★ **Plant construction, equipment purchases, more employment and business activity follow the expenditure of capital raised through corporate financing.** ★

When the newspapers announce that a $10,000,000 industrial bond issue has been sold by a group of investment houses, few readers pause to consider the reach and scope or the social importance of a typical piece of corporate financing. Many fail to realize the great impact which a large sum of new capital must have on the business structure; they do not think of the new funds placed in circulation, of the new jobs during construction and the permanent positions which are created, of the idle men who have been put to work. The stimulus of this financing may well be felt indirectly throughout a large part of Canada.

Suppose that a gross margin of 4 per cent is realized by the underwriters in this transaction—who participates in this? In the first place there is a very large number of individuals, each one of whom has contributed his part to the success of the business. This includes a great many clerks, salesmen, stenographers, messengers and office boys from Nova Scotia to British Columbia, all of whom depend for their living on this and similar transactions. In addition, chartered accountants, lawyers, printers, telegraph and telephone companies and many others have an interest in the gross margin and receive a portion of it through payment for their services.

In short, this large bond issue actually affects the lives of a large number of people—this stream of new capital, flowing through diverse channels, brings with it business activity, industrial development and greatly increased employment. And it is interesting to remember that the raising of this capital for industry is made possible through the services of an investment house.

NESBITT, THOMSON & COMPANY
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BRANCHES IN THE PRINCIPAL CITIES OF CANADA

41A

Security that Never Dies

The man who entrusts his family's safety to individuals, however wise and scrupulous, is braving human frailty and the changes of time. Protection reared in a lifetime of loving care needs surer safeguard. This Company never dies. Its fund of knowledge and experience ensures skilled, economical administration of your estate as long as the beneficiaries live. Take steps in time.

67

THE
CANADA PERMANENT
BAY AND ADELAIDE STREETS, TORONTO
TRUST COMPANY

Mining Achievements
of the
HEPBURN GOVERNMENT

1. ***Securities Commission.***
"Boiler room" operators were driven out of business and thousands of dollars of fraudulently obtained investments recovered for victims. New regulations helped honest promotions, protecting the public and resulting in more money being made available for mining.

2. ***Stabilized Taxation.***
The Hepburn Government's assurance that taxation on gold mines would be stabilized at the level existing at the time of the Inter-Provincial Conference, has proved of inestimable value.

3. ***Encouraged Prospecting.***
By simplifying incorporation of mining companies and by regulations in regard to sale of vendors' shares, prospectors have been assisted. The Geological Branch of the Department of Mines has been greatly enlarged and its services extended to prospectors.

4. ***Extended Roads.***
As soon as the Provincial finances permitted, 29 mining roads were built or improved at a cost of half a million dollars. This year 59 projects were undertaken, and the policy of good mining roads will be further extended under the coming year's $18,000,000 highways appropriation.

5. ***Safeguarded Lives of Workmen.***
By thorough and systematic inspection of mining properties, the lives of miners have been protected. Amendments to the Workmen's Compensation Act have been made in the interests of the workers.

6. ***Increased Employment.***
Thousands of men who were out of work in 1934 are now employed, the number of employees in the mines and metallurgical works having practically doubled between 1933 and 1936.

For Increased Development of Ontario's Mining Industry

VOTE LIBERAL

Bond Markets

New Brunswick Enters U.S. Market For Funds

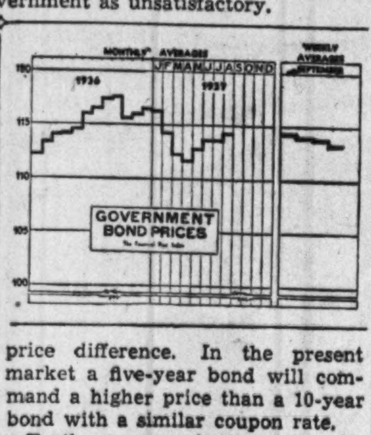
Issue Sold Not Strictly Comparable With That on Which Tenders Were Refused in May — Banks Still Buying Bonds

Private sale of $3¼ millions of 3¼% five-year bonds by New Brunswick to a group of U.S. insurance and trust companies is the first financing undertaken in the United States by a provincial government in a number of years.

For some time provincial governments have depended upon the domestic market for their financial requirements. In order to avoid foreign exchange pitfalls, new issues have been made payable in Canadian funds only.

No announcement has been made by the New Brunswick Government as to what funds its new bonds are payable in, but since there were sold in the U.S. market they are probably payable in U.S. currency.

Although the sale represents a departure from trend it is not as significant as might be expected. The reason for the sale in the U.S. market is the unwillingness of Canadian investment firms to pay a price which the province regards as satisfactory. Last May, New Brunswick called for bids on a $3 millions issue. A syndicate of Canadian investment firms tendered, but the bid was rejected by the Government as unsatisfactory.



Not a True Comparison

In announcing the private sale of the $3¼ millions issue, Hon. C. T. Richard, provincial treasurer, emphasizes the price of 98.50, or a cost basis of 3.58%, as compared with the tender price of 92.86, or a cost basis of 4.15%, received from the Canadian syndicate in May.

He overlooks, however, certain fundamental differences. Like the present issue, the one tendered on last May carried the same coupon rate, but the Canadian syndicate bid for 10-year bonds while the present issue carries a five-year term. This accounts to some extent for the price difference. In the present market a five-year bond will command a higher price than a 10-year bond with a similar coupon rate.

Furthermore, a better price can usually be secured through private sale than through sale of an issue to a syndicate for public offering. There is little underwriting or marketing expense involved where sale is made directly to institutional investors and for this reason the institutions can afford to pay a higher price than a syndicate which undertakes to sell the bonds to the public.

* * *

Banks' Bond Holdings

There does not appear to be much evidence of any tendency on the part of Canadian chartered banks to ease up in their purchases of securities, which in this case means bonds and, for the most part, short-term government bonds. Latest statement for the month ended Aug. 31, 1937, shows holdings of government and other securities up $14.7 millions over July 31, 1937, and up $80.8 millions over the end of Aug., 1936. When it is seen that total assets of the chartered banks are $185.6 millions greater than a year ago, the importance of the rise in security holdings is apparent. This item in the consolidated statement is up almost as much as current loans in Canada, where the increase over the year is $90.3 millions.

* * *

Bond Index

High-grade Government bonds are beginning to show the effects of the generally declining security markets of the past few weeks. Nothing to compare with the abrupt decline that took place about this time last year has yet been in evidence but this may be partly due to the considerably lower levels that have prevailed for most of this year, leaving government bonds in a less vulnerable position. Actual movement of The Financial Post averages of high-grade government bonds follows:

Average Price and Yield For Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Sept. 28	113.48	3.300	Sept. 28	116.75	3.030
Sept. 27	113.46	3.300	Sept. 26	117.18	3.026
Sept. 25	113.54	3.287	Sept. 25	117.25	3.021
Sept. 24	113.54	3.287	Sept. 24	117.50	2.986
Sept. 23	113.72	3.269	Sept. 23	117.66	2.983
Sept. 22	113.72	3.269	Sept. 22	117.71	2.981
Year's	3.206	116.81	Year's	117.91	2.966
Range	3.505	111.60	Range	111.50	3.597

Windsor Hotel Bonds Get $387.45 Per $1,000

Holders of 6½% first mortgage bonds of Windsor Hotel of Sault Ste. Marie, Ltd., will receive a final distribution of $387.45 for each $1,000 bond in full settlement of their claims. This is being made by the Canada Permanent Trust Co., Toronto, on surrender of bonds with unpaid coupons attached. No interest will be paid on this balance after Oct. 26, 1937.

Bondholders voted on June 22, 1937, to accept the offer which is giving them 28.86% of the amount.

Bond Sales

Aylmer, Ont.

An issue of $90,000, 4%, 20-installment school debentures has been sold by the town of Aylmer, Ont., to Isard, Robertson & Co. and Goulding, Bulmer & Co. The debentures were dated Oct. 1, 1937, and were sold privately. The proceeds are to be used for the erection of a new high school.

Fredericton, N.B.

W. C. Pitfield & Co. have bought an issue of $10,000, 3½%, 10-year bonds, due 1947, from Fredericton, N.B.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J	†6%	1944	Oct. 8	103

†For sinking fund purposes, $23,000.

Stock Issues:			
Chas. Gurd	7% Pref.	Oct. 1	*

*Shareholders of record Oct. 11 entitled to submit tenders for sale of stock to company for redemption.

Bond Tenders

12 noon, Sept. 30, Canada Treasury Bills—$25,000,000, dated Oct. 1, 1937, due Dec. 31, 1937. Bank of Canada, Ottawa.

CONSOLIDATED PAPER

New summary of position and prospects of one of Canada's largest units in newsprint industry available on request.

Ask for Analysis P7.

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TORONTO OTTAWA QUEBEC SHERBROOKE
111

GO MODERN

—With Air-Conditioning! Competition has forced a remarkable spread in the use of conditioned air in Canada this year, and it is now being closely studied by more business men than ever before. Much can be learned from the experience of those who have installed systems, so the September issue of Modern Power and Engineering describes and illustrates several of the newest Canadian installations.

Modern Power and Engineering tells Canadian engineers, plant building owners, what they need to know to get modern, low-cost operation in all types of power installations.

Modern Power and Engineering
481 University Ave.,
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The ADVERTISING DOLLAR!
What has it to buy?
How is it spent?

These questions are ably and constructively answered in a special message to weekly newspaper publishers by F. E. Clotworthy, secretary, Association of Canadian Advertisers, appearing in the current issue of Canadian Printer and Publisher.

Commercial printers, large and small, will appreciate Charles McIntyre's advice on how to hold old customers; and will read with interest the things which came to light at the composing room and pressroom clinics at the recent Craftsmen's Convention.

In the current issue, too, will be found examples of the new customs ruling on advertising printing plates, and many other articles and scores of items of special interest to publishers and commercial printers.

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Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Chartered Accountant

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Timber Cruises and Valuations
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ont.

PREMIER TRUST DIRECTORS

Harry Southcott, St. Catharines (left), has been selected a director and vice-president of Premier Trust Co., and H. J. Carmichael (right), who has been elected a director and member of the executive committee of the same company. Frank Blaikie and Don F. Pepler, St. Catharines, have also been added to the board of Premier Trust Co. Election of these four directors, who are all former officers or directors of Security Loan & Savings Co., is a final step in the merger of the two companies.

Municipal Finances

New Westminster, B.C.— A deficit of $67,996 is reported for 1936 before providing for general sinking fund for which no levy was made. This compares with a deficit of $39,781 in 1935. The city has taken advantage of the amendment to the British Columbia municipal act which permits postponement of sinking fund and has not made any levy on this account for the past four years. The amount of sinking fund in arrears was $752,825 at Dec. 31, 1936. Of the total sinking fund investments on hand of $2 millions, $1.6 million was the city's own debentures at par. Details of financial position follow:

Income and Assessment
Year Ended Dec. 31, 1936

	$
Revenue	1,143,572
Expenditure	1,211,568
Assessed value for taxation	19,313,273
Exemp. not included above	8,662,590

Tax rate, 1936: general, 3.75; debenture (interest only), 31.5; schools, maintenance, 20.75; total, 56 mills.

Total tax arrears, $259,471; last year's levy, $533,092; uncollected, $88,869.

Assets and Liabilities

	$
Value of assets	11,302,720
Total debenture debt	6,851,724
Total sinking fund	*2,739,457
Bonds guar. as to interest	600,000
Other liabilities	397,744

*Includes $752,825 of arrears.

Public Utilities

	Net earnings $	Net profits $
Waterworks	58,931	23,073
Electric light	121,241	90,834
Market	3,133	1,761

* * *

City of La Tuque, Que.—A surplus of revenue over expenditures of $3,005 is reported for the year ended April 30, 1937. This is due to expenses being lower than originally estimated. The city had total debenture debt of $1,045,050 at April 30, 1937, of which $890,050 matures serially and $155,000 is sinking fund debentures. This is the first report to be published since refinancing of La Tuque, with the assistance of the Quebec Municipal Commission in 1935.

* * *

Fredericton, N.B.—The city has accepted the offer of $7,500 from the Provincial Government to aid in financing relief work on condition that this grant be for the period to Dec. 31, 1936, and not March 31, 1938. City council has decided to issue $10,000 of 3½% debentures to finance construction of sidewalks. Tax collections for Aug., 1937, were $12,048 against $10,082 in Aug., 1936.

* * *

Regina, Sask.—Total direct cost of relief in the city for the first eight months of 1937 was $766,173, compared with $773,317 in the same period of 1936, a reduction of $7,144. Of this amount the city absorbed $153,234 in 1937 and $154,876 in 1936. Number on relief at the end of Aug., 1937, was 1,999 against 2,046 a year earlier. Regina is still paying 20% of relief cost with the province paying the remaining 80%, but is reported asking for an adjustment on the basis of contributing only 10% and 50% of hospitalization costs. At Sept. 1, 1937, bank borrowings totalled $518,047 compared with $597,810 a year ago. Application is being made by the sinking fund trustees for permission to purchase $120,000 relief debentures as was done in 1936.

* * *

Quebec City reports that tax collections during the first eight months of the current year have been more than double the amount collected in the corresponding period of 1936. Comparative figures for the eight-month period are as follows:

Tax Revenues
Eight Months Ended Aug. 31

	1937 $	1936 $
Compound taxes	1,096,417	464,219
Snow tax	87,276	73,152
Business tax	211,248	48,957
Head tax	3,073	3,414
Proprietors' tax	4,737	3,589

Easy Washing Profits Higher

Net Estimated at $35,000 For 1937 Against $24,226 in 1936

Net profits of Easy Washing Machine Co., after all charges, are likely to be around $35,000 for 1937, according to an official estimate. This would compare with a net profit of $24,226 for 1936 and would leave a balance of around $1 a share available for common shareholders against 66 cents reported for 1936.

There has been an increase of approximately 35% in sales so far in 1937. On June 1, the company bought the plant which they had occupied under a long-term lease. The purchase price was $50,000 of which $10,000 was paid in cash. The balance is payable in half-yearly installments over the next four years.

Conversions of the 7% preferred into common were accelerated earlier in 1937 when the common reached levels around $9 a share compared with between $4 and $5 at present. The $10 par value preferred stock is convertible into common on a two-for-one basis. It is understood that about 1,500 shares of preferred have now been converted.

There are still accumulated arrears of 70 cents a share on the preferred after the dividend of 35 cents a share is paid on Oct. 1. It is understood that directors plan some action to clear off this balance and that this will probably come early in 1938.

The company has declared a dividend of 35 cents a share on the preferred payable Oct. 1, 1937, to shareholders of record Sept. 22. This payment covers two quarterly dividends but leaves arrears at 70 cents a share, or one year's dividend.

A FINE ART SAYS—
Stop
TO THE FORGER

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EXPERT and EXPERIENCED Engraving and Printing of
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Debentures
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Postage and Revenue Stamps
and other Monetary Documents

32

CANADIAN BANK NOTE COMPANY
Limited
HEAD OFFICE and WORKS
OTTAWA
BRANCH OFFICES
TORONTO
MONTREAL

New N.B. Loan Sold Privately

Province Negotiates Sale of Five-year Bonds to U. S. Companies

From Our Own Correspondent

MONTREAL.—The Province of New Brunswick has made a private sale of $3¼ millions of 3¼% five-year debentures to United States insurance and trust companies, according to an announcement by Hon. C. T. Richard, provincial treasurer.

Whiting, Weeks and Knowles, an investment firm of Boston, acted as agents in the deal.

The issue dated Aug. 16, 1937, and maturing Aug. 16, 1942, was sold, after deducting all expenses, at a price of 98.50 and accrued interest which gives a net cost to the province of 3.58%.

Last spring New Brunswick called for tenders on a $3 millions issue. In view of market conditions and other factors a large number of Canadian investment firms made a joint bid. This was the only bid received and was rejected by the province.

Richard Is Satisfied

In announcing the sale of an issue to U. S. institutions, Hon. C. T. Richard stated: "I feel entirely satisfied with the price obtained. When the province called for tenders last May for an issue of 3¼% debentures an offer of 92.86 was received which would have cost the Government a net cost of 4.15%.

"This offer was refused by the Government as being unfavorable. In view of the higher figures obtained, that is, 98.50 for the present issue, or a net cost to the province of 3.58%, as compared with 4.15%, I feel that the Government was justified in refusing the offer made last spring."

In commenting upon the issue to The Financial Post, one investment dealer pointed out the issue bid for last spring was a 10-year issue and the longer term accounts in part for the lower price.

Mr. Richard's announcement did not say whether the bonds were payable in Canadian funds only or whether they are payable in U. S. currency.

Burns Plans Full Interest

Decrease in Earnings Halts in Third Quarter

Earnings and working capital position of Burns & Co., Calgary meat packing firm, is expected to enable payment of full interest on bonds, including the half of the bond mortgage on which interest is payable only if earned.

A statement from official sources is that earnings for July and August showed improvement and for the full third quarter are expected to compare favorably with those of a year ago. Outlook for the last quarter is somewhat indefinite due to the prospect of a much lighter run of hogs in the autumn compared with 1936.

Earnings for the first half of this year showed a decrease as compared with 1936. This is attributed, first, to a substantial wage increase through the organization last March. Also, the company had labor disturbances at Vancouver which interfered with earning power, and bad crop conditions in the West have interfered with buying power in areas served by the company.

Capital Expenditures

The management considered it necessary to carry out a considerable programme of capital expenditure in 1937, including building of a new abattoir at Calgary which should be completed by Dec. 1. It will take the place of the old abattoir.

In 1936, Burns & Co. had earnings which covered the mandatory bond interest 3.62 times after depreciation. Interest on income bonds was covered 2.64 times. After all interest payments, the surplus account was increased $195,385.

Net current assets last year, as defined by trust deed for the bonds, totalled $3,044,262. The importance of this figure is that net current assets must exceed $2¾ millions to permit payment of interest on income bonds. The increase in net current assets was approximately $223,000 in 1936, representing mainly the surplus earnings for the year above interest requirements.

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MONTREAL
Royal Bank Bldg.

Calgary Plan Gets Approval

Holders of more than the required 60% of the outstanding bonds of the City of Calgary, Alta., have now signified their acceptance of the plan for refinancing the city which was advanced by the representatives of bondholders. It is understood that holders of over $16 millions out of a total funded debt of approximately $24 millions have accepted the proposals. This includes the city's own debentures held in sinking fund.

Work is now under way on the preparation of the application to the board of public utility commissioners in Alberta for an order to ratify the deal. When this order is received the lieutenant-governor-in-council will be asked to approve it. This approval will make the debt plan officially operative.

Under the provision of the plan the city's own securities held in sinking fund would be cancelled. Holders of other outstanding debentures would exchange them for new debentures to be dated Jan. 1, 1937, and maturing Jan. 1, 1962. On present 5½% and 6% debentures interest will be adjusted to a 4½% basis by payment in cash of the present value of the difference in interest. Debentures bearing interest at 5% at present will bear the same rates to maturity as existing debentures and 4½% thereafter to 1962. The ultimate interest rate on all of the city's funded debt will be 4½% which rate will apply from the original maturity dates.

Securities other than those of the city itself, which are held in the sinking fund, are to be liquidated.

H. A. MALCOLMSON

who has been with Purity Baking Company Limited for some years in the capacity of Internal Auditor, has been appointed to the position of Comptroller.

Bondholders' Defensive Committee
for
Abitibi Power & Paper Company, Limited
5% First Mortgage Bonds

Members:
Honourable Sir Henry L. Drayton, K.C., P.C., K.B.
Former Minister of Finance for Canada
J. A. Kilpatrick,
Chairman, Canada Iron Foundries, Limited
W. C. Pitfield,
President, W. C. Pitfield & Company Limited
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Director, Fraser Companies, Limited
P. R. Walters,
Director, Crown Trust Company

Counsel:
J. L. Ralston, K.C.

Secretary:
L. J. Tomlinson,
Room 602, 112 Yonge St., Toronto

Room 602, 112 Yonge St., Toronto.
September 28th, 1937.

TO THE HOLDERS OF
ABITIBI POWER & PAPER COMPANY LIMITED
FIRST MORTGAGE BONDS:

The undersigned have been requested by the holders of very substantial amounts of bonds of the Abitibi Power & Paper Company, Limited to act as a Committee to represent such holders as are not satisfied with the Plan of Reorganization submitted by the Bondholders' Representative Committee, commonly known as the Ripley Plan. This Plan will be dealt with at the Bondholders meeting in Toronto on October 15th next.

Whatever merit the Ripley Plan may have had at the time it was conceived, the spectacular improvement in the earnings of the Abitibi Company in the past few months has so completely changed the position of the Company that there now appears to be no reason why the Bondholders should make the sacrifice involved in the plan.

The chief criticism of the Ripley Plan is that it entirely takes away from the Bondholders their first mortgage position, giving them 38.03% of their claim in Second Mortgage Bonds, 53.24% of their claim in unsecured income Debentures, non-cumulative for ten years, and 8.73% in common stock.

The earnings of the Abitibi Company available for Bond Interest, Depreciation and Income Tax, were:—

1934	$ 953,927.66
1935	1,205,185.51
1936	2,185,188.76

The earnings for the month of August 1937, just published, were over $500,000, as against $217,000 in August 1936.

During the past two months the Abitibi Company has been earning at the rate of over $6,000,000 per annum.

It has been announced by the leading Canadian newsprint manufacturers that the price of newsprint during the first half of next year will be $50 per ton, on the basis of which the rate of earnings next year should be increased by over $4,000,000, so that it is not unreasonable to expect earnings of the Abitibi Company next year to exceed $10,000,000.

Five percent interest on the total claim of the Bondholders (principal, accrued interest, and interest on interest) is less than $3,300,000, so that the Abitibi Company will probably be earning its interest charges next year more than three times.

Based on present prospects as shown below, the issue of $14,000,000 Prior Lien Bonds provided for in the Ripley Plan would appear to be quite unnecessary—

FIRST—because any needed money can be provided through bonds ranking alongside the presently outstanding First Mortgage Bonds;

SECOND—because no such amount as $14,000,000 is needed or can be justified.

Net Working Capital of Abitibi on August 31st, 1937, was	$4,700,476
Four months' earnings to December 31st, 1937, estimated on the basis of July and August	2,000,000
Estimated earnings for year 1938	10,600,000
	$17,300,476

From this amount should be deducted bond interest at the rate of $3,250,393 per annum and reorganization expenses, the balance being available for working capital and expenditures on properties.

If you agree with the views expressed in this letter, and are prepared to support the Committee formed to protect the interests of the First Mortgage Bondholders regarding the features of the plan which the Committee may consider are not satisfactory from the Bondholders' point of view, we suggest that you support the Committee by voting against the Ripley Plan either in person or by proxy.

If you hold coupon bearer bonds, it is only necessary to deposit them with your bank or a trust company and obtain a receipt and voting certificate. If you are unable to attend the meeting in person, we suggest that you sign the proxy on the reverse side of the voting certificate and forward it to the Secretary of the Committee at Room 602, 112 Yonge St., Toronto, Ontario.

If you hold fully registered or coupon registered bonds, it is only necessary to sign the proxy marked for use of holders of registered bonds and forward it to the Secretary of the Committee.

Holders of certificates of deposit who agree with the views expressed in this letter may vote against the Plan by withdrawing their bonds from the depositary. It is then only necessary to proceed in accordance with the two preceding paragraphs, depending upon whether your bonds are in bearer or registered form.

The fact that the Company can be reorganized to-day on a basis which would fairly recognize the Bondholders' position is largely due to the equitable agreement entered into with the Ontario Government and The Hydro-Electric Power Commission of Ontario. This agreement further provides for the protection of the Bondholders by a condition that no reorganization can be put into effect without the approval of the Government.

If you desire further information regarding the Abitibi situation, please communicate with the Secretary of the Committee at the above-mentioned address.

Yours very truly,

BONDHOLDERS' DEFENSIVE COMMITTEE
H. L. Drayton (*Chairman*)
J. A. Kilpatrick
W. C. Pitfield
R. B. Hanson
P. R. Walters

It is important that you send immediately to the Secretary of the Committee, at the above address, for proxy forms, as the time is limited.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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TORONTO, OCTOBER 2, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Challenge of Old Age Pensions

IN THE three months ending June 30, almost $7.7 millions was paid out as the Federal Government contribution for old age pensions in Canada. Allowing for the fact that this included an adjustment for back payments in Quebec this means that Ottawa in the present fiscal year will be called upon to pay about $30 millions for this purpose or about 5% of total federal revenues.

These figures permit for the first time a true picture of the old age pension problem in Canada, for they include payments to Quebec which entered the scheme toward the end of 1936. A further steady increase can be expected as the privilege becomes more widespread in provinces which have recently started pension payments and as long as the average age of the population rises.

Federal expenditures for old age pensions started out in a modest way. Ten years ago the outlay was less than a million dollars. By the end of the fiscal year 1932 it had jumped to $10 millions. Five years later it had doubled itself again, due in part to the inclusion of additional provinces and to the fact that in 1931 Ottawa's share of the cost increased from 50% to 75%. There are now 160,000 pensioners in Canada and total expenditure by Ottawa and the provinces for the current fiscal year will approach $40 millions.

This is a startlingly high burden for a young country like Canada to be carrying. What are we going to do about it?

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First, the problem should be near the top of the list for consideration by the Rowell Commission. The Dominion has no jurisdiction over old age pensions but because it pays three-quarters of the cost, permissive legislation has been worked out to facilitate handling of the joint contract. In effect, the funds are handled entirely by the individual provinces with Ottawa merely contributing its ratio of total cost on a quarterly basis.

This system in itself is dangerous and inefficient. There are known to be widespread abuses in provincial handling of the funds. It has even been said that Ottawa could save money if it were to pay one hundred per cent of the cost of old age pensions and handle the funds itself. A joint conference of federal and provincial authorities to review the whole matter after ten years of operation was mooted by Hon. C. A. Dunning last March but so far has not materialized.

Secondly, this entire matter should be put on a contributory basis as quickly as possible. That does not mean that Ottawa will not continue to grant financial aid from year to year. It does mean that experience in a score of countries throughout the world points to the undoubted wisdom of joint contributions preferably by the employee, the employer and the state. Any other plan, in the last analysis, invites social irresponsibility.

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A classic example is found in Great Britain where, as far back as 1925 a contributory pension scheme was inaugurated which will in time assume the major responsibility in this field which has been served by non-contributing pensions since 1908. The British contributory plan works hand in hand with health insurance and is operated largely through approved "societies" which serve as the collecting agency for contributions. Both workers and employers contribute nine cents per week each for male employees, about half that amount for women workers. The government contributes the balance to bring total payments up to a required standard.

In the belief that a wise and workable arrangement of federal-provincial affairs will be achieved through the Rowell Commission, it is not too early for the provinces and Ottawa to take steps toward shifting this tremendous burden from the taxpayer at large, to the shoulders of those who benefit most by this particular form of social legislation. Prime Minister King and his finance minister, Mr. Dunning, should act immediately toward a solution of this very important challenge.

Snap-Judgment Government

IT IS a long time since political pots have boiled so fiercely as they have over the Black appointment to the United States Supreme Court and the subsequent revelation that this much-discussed senator is still, apparently, a life member of the Ku Klux Klan. And there is at least one important lesson in this fiasco.

Writing in Barron's recently, Edson Blair put the matter in a nutshell when he pointed the moral that "snap-judgment government is bad stuff."

In short, the Black mix-up has uncovered a fundamental trouble with the way Mr. Roosevelt does business. It shows what many critics have indicated for some time, namely, that the United States president too often acts on impulse with no more than a superficial examination of factors involved and too often with secrecy.

For two sessions or more, Congress stood for that sort of thing in deference to the magnetic and powerful personality who chose to govern a great nation in that way. This year they refused to do it and now the whole thing is climaxed by this unfortunate move on the part of the man "who fought for months for a chance to put a justice on the Supreme Court bench and then muffed it so ingloriously."

Fortunately, in Canada our democratic governments have been remarkably free from "snap-judgment government." Generally, in this country we lean to what Gilbert and Sullivan described as the "quiet, calm deliberation" which disentangles every plot.

This does not mean that there are not men in high public office in this country who do not lean to the quarterback type of leadership. For a long time Premier Hepburn of Ontario was notorious for his impulsive acts, although this impulsiveness has not led him so frequently into hot water of late months. Mr. Bennett, as prime minister, was also given to acting on impulse—and when he did he usually floundered.

The moral of the Washington upset is strikingly clear and worth repeating: "Snap-judgment government is bad stuff."

Frantic Planning

NOT long ago it was pointed out on this page that giving the monetary authorities of a country the necessary tools with which to fashion its economy did not mean than anyone would know how to use the tools.

Washington's recent efforts to promote business stability by the use of monetary instruments have been strikingly unsuccessful.

Last winter, authorities apparently decided that prices and business were moving ahead too rapidly. They introduced certain monetary policies designed to put on the brakes. The measures were followed by an obvious effort on the part of the administration to "talk down" prices, particularly in the stock market. Now, Washington has awakened to the fact that it has almost thrown the business machine into reverse. A frantic effort is being made to renew the process of reflation again and avoid a major business recession in 1938.

Astute observers have reported that one reason why Washington attempted last spring to check the "boom" was the fear that, if business and prices moved ahead rapidly, a major collapse would be inevitable about 1940, just when the Democrats were facing the country in another presidential election. It was felt better to hold business back now but let it march rapidly just before the election. If the present recession is not long-lived, events may move according to this "plan" and the administration will feel that it has been politically astute.

From the economic and social standpoint, however, it remains to be seen if the effort at managed economy is to be useful or favorable in its results.

Wide swings in security markets and chaotic swings in confidence and pessimism are resulting from Washington's monetary moves designed to "stabilize" things.

If this be the kind of "stability" that derives from economic "planning" the business and consuming world will soon be crying for a return to the "unplanned chaos" of the past when there were no upper limits to prosperity.

Better Municipal Accounts

THE recent Ottawa conference on municipal statistics laid a valuable foundation for a standardized system of municipal accounting and reporting for Canada.

It was clear from this conference that most of the responsibility for a successful conclusion to this project lies with the Dominion and provincial governments, and particularly the latter.

The accrual basis for municipal accounting, as supported by the conference, does not always provide an accurate picture of a municipality's condition. Past experience has shown that it is quite possible for a city to regard the entire tax levy as revenue and show an income and expenditure account more favorable than is actually the case. A safeguard against this danger is the adoption of the cash basis, at least as a supplement for the accrual basis suggested at the conference.

As soon as a recognized standard system of municipal accounting has been devised to suit Canadian conditions, the provincial governments should pass legislation compelling the municipalities to follow the accepted system. This, of course, still would not overcome the shortage of trained and experienced municipal officials, a weak point in the present system. Canada has not seen much progress in providing training courses for municipal officials although several Canadian universities have established short courses. Once standard accounting systems have been made compulsory and facilities for training made readily available then the work of municipal officials will acquire more of a professional standing.

The provincial governments have an opportunity to enhance the favor of municipal securities by leading the municipalities under their jurisdiction to present reports that the layman can understand.

Budgets and Public Opinion

A MOST disquieting aspect of Canada's financial position is the continuance of Federal deficits, although four years have passed since business activity turned upward. Even more serious, perhaps, is the lack of constructive action on the part of Ottawa to correct this situation. Government policy apparently depends on expanding business activity to solve the revenue problem. At the same time, ordinary expenditures are permitted to expand so that a solution is further postponed.

The most important factor contributing to Government apathy is uninformed public opinion. Outside business circles there has been little or no demand for a balanced budget and until such demand develops it is unlikely that drastic action will be taken by the Government to attain a balanced budget. It is imperative, therefore, that every Canadian should realize the dangers inherent in continued deficits.

Few Canadians feel a sense of personal concern when they read that the accumulated deficits of the Dominion Government during the past five years total $717 millions. This complacency in the face of mounting public debt is testimony to the lack of understanding on the part of the average man regarding the extent to which this development affects his present and future welfare. Actually, it has a direct effect upon the security of his job, the buying power of his income and the security of his savings.

As taxpayers all Canadians should be concerned about the upward trend in Government expenditures and debt. With each increase in debt, individual liability increases. Furthermore, each increase in debt increases the amount required for debt service, so that the amount of revenue available for other purposes is reduced.

Ordinary citizens are affected not only as taxpayers but as wage-earners. Business activity in this and any country is dependent on confidence in the fiscal policies of the Government. The hesitancy in Alberta at the present time is typical of what happens when this confidence is lacking. In Federal affairs, sharply rising revenues have momentarily clouded the real issue which is the continued failure of the Government to achieve a properly balanced budget. It is this deficit financing which ultimately endangers employment of those now working and re-employment of those now out of jobs. Taxation of business is already so high as to retard business in many lines. Higher taxes would put a further brake on business and would also affect men of moderate means, since large incomes are already assessed to the point of virtual confiscation.

In continued deficits there is also the threat of ultimate inflation, with its destructive effects both on accumulated savings and the buying power of income. In a period of inflation wage-earners would find that their pay increased much more slowly than the cost of living. Thus, the effect would be the same on purchasing power and on the standard of living as if wages were progressively reduced.

There is only one course open to those who wish to avoid the evils of crushing taxation or the greater evils of inflation. This course is to bring pressure on Ottawa to balance its budget and put its financial house in order immediately. An abrupt change in the fiscal policy of the Government can only be brought about through informed public opinion.

Editorials in Brief

By the way, a French prophet forecast that the world would come to an end last Monday. Actually it didn't although some stock market speculators may have got that impression.

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Our Mr. Chipman was allowed by the news department to entitle last week's article on Russia "Rhapsody in the Red." This week they balked, however, at the very apt title he wanted to put on his second article: "Russia: Paradise or 'Purge a Tory.'"

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Our Contribution to the Ontario election campaign is a theme song for the Conservative party: "Row, row, row your boat gently down the stream."

Remembering the last line of the ditty some of our Conservative friends aren't quite sure whether this is a compliment or not. At any rate (they reply) "You can trust Rowe."

• • •

After Reading New York papers for the past few days we find it hard to see why Montreal should be so enthusiastic about wishing to entertain the American Legion which seems to rank easily as the world's rowdiest convention.

For four solid days the entire personnel of the N.Y. police force—18,374 men and 200 women—were required to go on 24-hour duty to handle the Legionnaires. It also took 1,500 men working continuously for almost 24 hours to clean up 625 tons of waste left in the wake of the Legion parade. This was about six times the debris gathered up when Lindbergh returned home 10 years ago.

Sayings of the Week

"We are willing to serve if the people of this city want good, decent, honest, efficient government."—*Mayor La Guardia in speech for reelection, New York City.*

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"I have no politics, and what's more I don't know a thing about the New Deal. I don't even know how the family voted."—*Miss Anne Clark, fiancée of John A. Roosevelt.*

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"What we need to do is to establish confidence in the minds of the people that we shall see the job through if we are returned to power."—*Ernest Bevin, President, Trade Union Congress at Norwich.*

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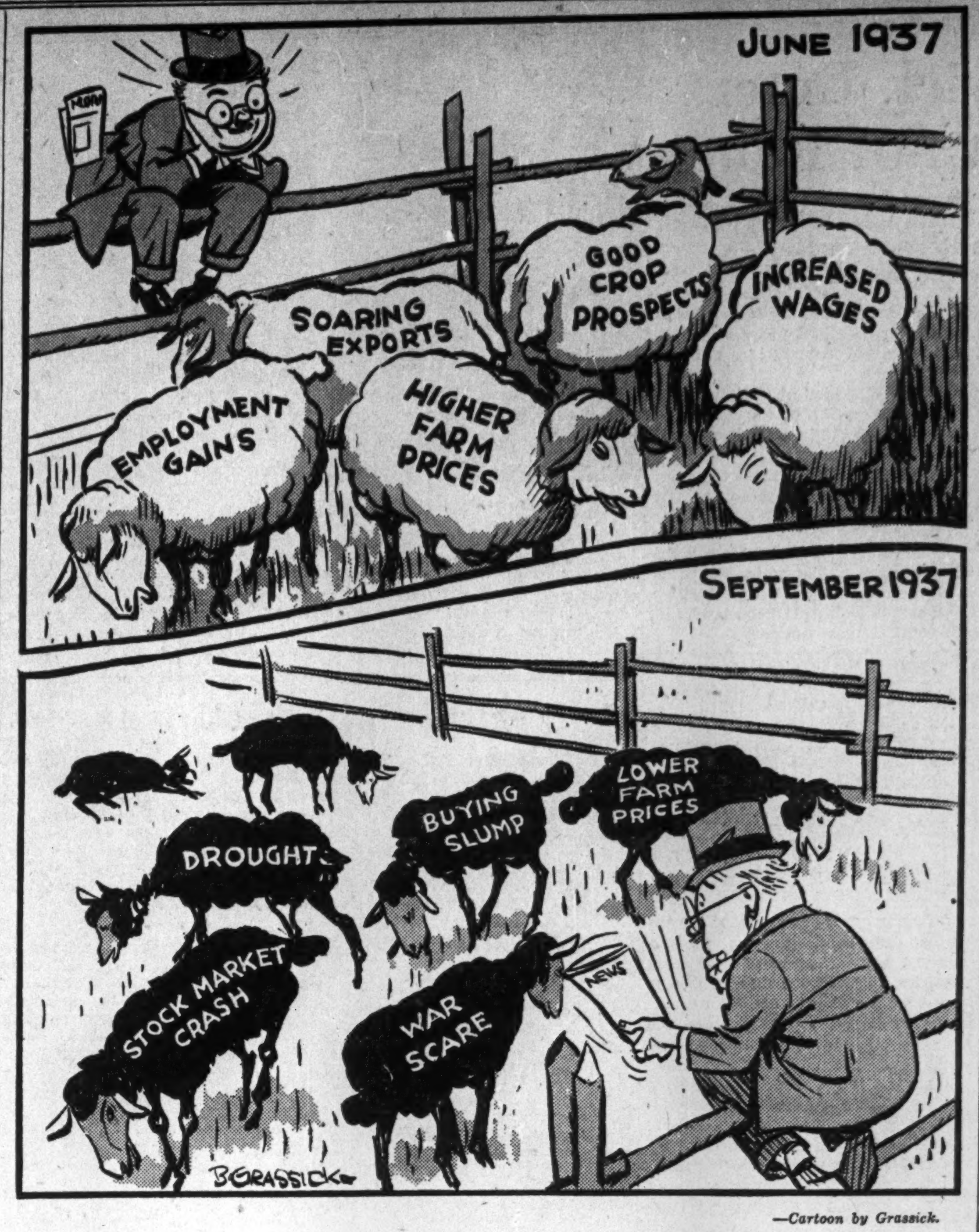
"Next year should be a good one for the automobile industry."—*Alfred P. Sloan, Jr., Chairman, General Motors Corp.*



BLACK SHEEP

—Cartoon by Grassick.

Post-Scripts . . . .

A MacLean Anniversary

On Sept. 26, Lieut.-Col. J. B. MacLean, founder and chairman of the MacLean Publishing Company, Limited, celebrated his 75th birthday. When his senior associates gathered to congratulate him he made an impromptu little speech in which he stated that the company, which publishes many of Canada's leading magazines and business newspapers, including The Financial Post, was the product of the men and women he had from time to time gathered around him.

COL. J. B. MACLEAN

Col. Maclean could have gone farther and pointed out that many other successful business enterprises in Canada and abroad are the product of men and women whom he had engaged as juniors and trained in the ways of business and public affairs. For there are sons and daughters (and now grandsons and granddaughters) of the MacLean organization occupying key posts in many enterprises and many professions. The MacLean Publishing Company has come to be known as one of the best training schools in Canada. Not only has it trained practically all of its own senior executives but it has trained people who have become senior executives outside.

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Great Reporter

During his lifetime, Col. Maclean has travelled constantly. There have been few important figures on the world stage during the past generation who have not been intimate friends of the veteran publisher. When the story of his life is written, as it should be, it will be revealed that he has often been the intermediary between statesmen and business leaders in negotiations and discussions of world importance.

His purpose in travelling has been to get an understanding of world events upon Canadian interests. He has scored many notable news "beats." In 1914, he warned that the war might last five years. He urged Canadian manufacturers to prepare to manufacture munitions and turned one of his business newspapers over to providing the technical facts that industrialists needed on the subject. Most manufacturers were slow to accept his statement that Canada would be a great munitions centre. They expected the war to end in a few months.

In 1917, Col. Maclean wrote an article warning that Lenin and Trotsky were on their way to Russia to take that country out of the war. The entire issue of Maclean's Magazine containing the article was confiscated by the censors. This happened while Colonel Maclean was out of Canada; on his return he re-wrote the article for the next issue and told the authorities that he knew what he was talking about and the article would run despite any action they might try to take. Within a few weeks the world knew how true his information was. But for publishing it he was assailed by certain tin-horn patriots as a traitor to the allied cause.

In 1925, the cables were telling stories of Russia's great wheat crop and the exportable surplus it would have. Wheat markets were depressed. Returning from Europe, Col. Maclean wrote for The Financial Post an article saying that Russia would have no wheat for export that year. His information was right.

• • •

Triple Anniversary

Sensational as his news scoops have been, Col. Maclean has never broken a confidence. More than once members of his own staff have spent sleepless days and nights seeking to ferret out the facts about some important international matter when all the time the inside story was known in detail to their own chief.

At 75, Col. Maclean is as eager a searcher after news as ever. And he spends a large part of his waking hours making plans for the future; planting acorns that can never grow into oaks in his lifetime.

This month has also seen two other important anniversaries in the life of Colonel Maclean. It is just 55 years since he entered upon his business career—as a newspaper reporter in Toronto — and 50 years since he issued his first paper.

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"Sam" Is 66

Another senior statesman of Canadian business to celebrate his birthday is R. S. ("Sam") McLaughlin. The celebration is also a triple one for Canada's top ranking automotive executive can look back exactly 50 years since he started to work for his father's carriage works and 30 years since the formation of the McLaughlin Motor Car Co. He himself is 66 years of age.

His first job was as apprentice in the upholstery department of the carriage factory. Later he was put in charge of the department. Subsequently he became designer for the firm and responsible for as many as 140 models annually. When the motor car came on the scene, it was he who linked the family business with the fortunes of Buick and laid the foundations for the present great automobile industry at Oshawa.

Besides being the very active president of General Motors of Canada, Ltd., Mr. McLaughlin is one of the best known sportsmen on the continent. Just now his racing colors are flying high at Toronto's Woodbine fall meet. A few weeks ago he was casting for salmon at his camp at Cap Chat. Shortly he will make his annual visit to the famous Long Point Duck Club on Lake Erie. Another interest is his new Bermuda estate which he purchased last year from the late Senator Curry.

Mr. McLaughlin, at 66, still gets a tremendous kick out of life—likes nothing better than sharing with his friends and associates the fine, beautiful things he has acquired in the past few decades. He likes to hold "open house" at Parkwood and can probably call more people by their first name than any other member of Canada's "top twenty." In turn, they all (very affectionately) call him "Sam."

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Lovable Hypocrite

Last week Abe Orpen died in Toronto and some of the city's newspapers filled their pages with columns of sentimental twaddle about the passing of a great philanthropist; a man who never failed to respond to a "touch"; who was filled with the deepest human sympathies.

Such qualities are worthy of the highest praise. But is not the important thing about Abe Orpen that he made his money out of "smart" real estate deals and out of operating race tracks and gambling houses, often in open defiance of the law? Many of the pan-handlers to whom he spared a dime or a dollar on the street must have been men who had lost their money in his gambling establishments.

True, Orpen—an inveterate and successful publicity seeker—always advised men, publicity at least, not to gamble. But he took the stand that the gambling instinct was deep-rooted and so he provided men with their opportunity to gamble not only with their own but other people's money.

There is something very sinister about presenting an amiable old hypocrite of this character as an example to the youth of the land.

Paging Rothermere

Viscount Rothermere has spent most of the past two weeks in Canada, visiting pulp and paper mills in New Brunswick, Quebec and Ontario, and conferring with financial leaders. Some scores of people have attempted to get interviews with him, in nearly every case without success for the famous British publisher is adept in dodging people.

LORD ROTHERMERE

Yet those who wanted to see him could have found him almost any time of the day walking around the streets of Montreal, Toronto, Kingston or elsewhere. Lord Rothermere is an inveterate walker. He rises at 5.45 or 6 o'clock every morning and walks for an hour before breakfast. He has done this for years on the advice of an eminent British scientist and doctor who told him that exercising the body on an empty stomach has a most beneficial effect, particularly in enriching the red corpuscles of the blood. Anyway, it has helped Viscount Rothermere, who is the picture of health and strength, although nearing 70.

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Watching Them Wake

Last week we had luncheon with him in his suite at the Royal York Hotel in Toronto. He had just returned from a walk of about four hours' duration during which he had seen nearly every new building and observed every important change of address in downtown Toronto. He told us that he knew nearly every big city in the world by heart as he had walked for hours around them—London, Paris, Berlin, Shanghai, New York, etc.

In only two cities, was he ever warned not to walk before breakfast. In Chicago years ago he was told that thugs would hold him up if he went out too early. In Buenos Aires he was told that the policemen would rob him if he appeared before the streets were crowded.

"I like to see big cities waking up," he told us.

As Others See Us . . . .

International Savagery
Windsor Star

Floyd S. Chalmers, editor of The Financial Post, tells us in effect that if it were not for the troubled international situation we would have little room for complaint about the world in which we are living today.

We can speculate as to what a happy place this would be if we had our newfound economic activity without the international savagery. But one cannot help but ask how much of this economic activity is the direct result of the same international savagery.

Stop Me If You've Heard This One . .

A Scot was engaged in an argument with a conductor as to whether the fare was 25 or 30 cents. Finally the disgusted conductor picked up the Scotsman's suitcase and tossed it off the train, just as they passed over a bridge. It landed with a splash.

"Mon," screamed Sandy, "isn't it enough to try and overcharge me, but now you try to drown my little boy."

Other People's Views . . . .

Right and Wrong
Toronto Star

The Hepburn Government is entitled to credit for securing succession duties for the province which its predecessor failed to collect. But there are right and wrong ways of doing the right thing.

Mr. Hepburn, for example, might well have notified the Booth executors before announcing from a public platform that he intends to collect $3.5 millions more from that estate. His auditors were sent in to examine the estate last May and the succession duties department wrote to express appreciation of the cooperation afforded them. The executors are now, as the Ottawa Journal says, "made to appear in the public eyes, without the production of a tittle of evidence, as having deliberately withheld a large sum of money legally due the provincial treasury."

Country and City
Vancouver Province

Canada's leading industrial province, Ontario, is in the midst of a general election, and the leaders of the opposing parties are not, as one might expect, manufacturers, but prominent farmers.

Mitchell Hepburn is the owner of a model farm of several hundred acres a few miles outside St. Thomas. There he was born, and there he lived until he became Premier, specializing in Holstein cattle and the growing of onions.

Earl Rowe, leader of the Conservatives, still lives on the farm where he was born, near Bradford, in Simcoe county. He is a well-known breeder of trotting and pacing horses, and likes nothing better than to drive his horses at fair meets throughout the province.

It speaks well for the good relations between country and city when it is so apparent that political divisions cut across and not between them.

Are Legislators Overpaid?
Calgary Herald

New Hampshire Legislature has just completed a session of 32 weeks or considerably more than half a year—the longest in its history. The total cost is estimated at $280,000, but each member received only $200. He was paid about six dollars a week for helping to make the laws of the state.

In Alberta the members are paid $1,800 for a six weeks session, which may help to explain why so many "social credit" members are not anxious for an early election.

In New Mexico a vote was taken last week to decide whether or not the pay for members shall be jumped from five to ten dollars a day. This would mean a maximum sessional indemnity of six hundred dollars.

In Tennessee a proposal to make legislating a ten-dollar-a-day job instead of a paltry four awaits action by the next Legislature before the change can be submitted to the people.

The Boston Transcript queries whether increased wisdom will go with increased pay for legislators. Judging by Alberta's experience with its "social credit" regime of wild experimentation the answer is in the negative.

Food-Imports
Halifax Herald

The French-language newspaper L'Evenement quotes a Quebec Government official as deploring the inability of agriculture in that province "to fill tempting orders from British importers." Quebec shippers "with plenty of capital" were commissioned to buy in that province 100,000 lb. of chickens, 300,000 cases of tomatoes, corn and other products—but "the trouble was all useless."

It is interesting—but no more than "cold comfort"—for the Maritime people to know that even in the Province of Quebec the land industry is not supplying Quebec's own needs, to say nothing of providing an exportable surplus in these foodstuffs. But it should be remembered in Quebec that down here in the Maritime Provinces we are in precisely the same position; no doubt in a much more serious position. Food imports come into the Maritimes in heavy annual volume—in Nova Scotia alone at the rate of at least a million dollars worth per month.

Saskatchewan Acts; Alberta Talks
Edmonton Journal

It looks as though, once again, Saskatchewan has acted while Alberta spent its time in talking. Among other recommendations made to the Government by the Alberta Legislature's special relief committee was one to centralize the administration of relief, the province making itself responsible. The whole report was laid over for consideration at some future date.

The Saskatchewan Government, faced with a problem that required prompt action, has acted. The Alberta Government, faced with a very similar problem, does not act. That is the difference between government by deeds and government by theory.

Business Statesmanship
Vancouver Province

The members of the Canadian Chamber of Commerce, who recently assembled in Vancouver, are thinking and talking like statesmen rather than like merchants or manufacturers or financial men. They appear to have got out of themselves, have come to a far corner of the country and are viewing problems objectively.

They are thinking nationally, and in this are setting a fine example to our politicians, who are given to thinking provincially and to attacking problems from a provincial standpoint.

These captains of industry, too, are thinking humanely. They are prepared to admit that all is not well with the country. They do not deny that reforms may be necessary even in business. They are ready to grant that business has obligations not only to investors, but to labor, to the consumer, to the country as a whole.

If we could have in our government, federal, provincial and municipal, more men of the character of these visitors, more of the principles they stand for, more thinking along broad and national lines, more regard for the obligations as well as for the rights of commerce and industry, it should be possible to change the whole face of politics in this country. What the country needs is more business statesmanship.

Week in Business

Dullness Continuing But Year's Total High

Business Volume in 1937 Will Rank Close to Best — Statistics Reflect Present Lull — Governments Confound Regular Cycles

Canadian business statistics this week are beginning to reflect that dullness which certain branches of the retail trade have been reporting intermittently since the beginning of fall. For the second week in succession the Dominion Bureau of Statistics weekly business index has shown a minor recession. Granted that this has been partly due to stock market declines, some of it traces to slacker demand for durable goods as compared with a year ago.

Business indices from the various economic areas of Canada, published elsewhere on this page, also show a levelling off from the peak. At the end of August the highest point appears to have been passed with some small decline expected when reports for the early fall months are compiled. Carloading figures, an excellent business barometer, also show a weaker tendency, with a decline two weeks ago from the same period in 1936. Further drops are expected because of the smallness of the wheat crop now being marketed in western Canada.

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In no case has anything more than a levelling off from peaks been indicated and at this time of year such a trend has been common enough for decades past. This year, however, it begins to appear that this levelling or dull period may be carried later into the fall. But no matter how long it lasts now, total business volume for 1937 is going to be one of the best Canada has ever experienced. Already totals are sufficiently high to put this year on a par with 1928 and to rank it next best to the record of 1929

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Governments are now a factor to be reckoned with in predicting cycles of business prosperity and depression, W. A. McKague, Canadian consulting economist, told the annual convention of purchasing agents in Toronto a few days ago. Said Mr. McKague:

"We could show that the broad trend of commodity prices and costs is upward, that business volume is good, and that employment is taking people off relief. Commercial credit, which is just about the last thing to turn the corner, has started to expand, but reserves are still so high, and interest rates so low, that a major reversal at this stage is hardly conceivable. There is need for replacement of capital goods, and there are inventions on which entire new industries can be built.

"Such an analysis, however, overlooks a new and influential factor in the business world. The state is today trying to regulate our economy. It is trying to modify or over-ride the cycle, and at the same time it is reaching out to wider objectives, to raise the general standard of living, and to lift people out of what it conceives to be a quagmire of insecurity. So that even when we have weighed all the economic factors, and have the fullest confidence in our judgment, we still have to ask: Will the economic cycle be left free to rotate in its customary manner? We are moving from an economic to a political era in which government policy will have a prominent part. When you get such control over production and trade as exists in Germany, setting around that important country a barrier which cannot be surmounted by the normal flow of gold, commodities and credit, you certainly interfere with the free adjustment of business.

Business Indicators

Employment index at Sept. 1, was up over 15 points from the same period a year ago for all industries and manufacturing.

Electric power output in August scored another advance and brought cumulative for the first eight months of this year up nearly 10% over 1936.

Bank debits for August showed little change from a year ago.

Bond sale increase due to regular sale of Dominion treasury bills, not new corporate financing or Government bonds.

Newsprint exports in August touched a new high and gave cumulative export to date more than a 15% lead over 1936.

Railway statistics show small drop in C.N.R.; gain in C.P.R. gross, for third week in September as compared with year ago. C.N.R. net for August also down slightly. Carloading figures for week of Sept. 18 up moderately. Cumulative railroad figures covering carloadings, gross and net earnings all have big lead over 1936.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲:

	Latest		Jan. 1 to date	
	1937	1936	1937	1936
Transportation—				
Car loadings, week (Sept. 18)	▲61.513	52,909	1,823.519	1,669,526
C.N.R. gr. earn., wk. (Sept. 21)	$ ▲4,164,141	$ 4,233,009	$ 140,198,212	$ 125,275,704
C.P.R. gr. earn., wk. (Sept. 21)	$ ▲3,289,000	$ 3,267,000	$ 100,274,000	$ 95,270,000
C.P.R. net revenue (July)	$ 1,095,460	$ 979,099	$ 9,355,614	$ 7,770,100
C.N.R. net revenue (Aug.)	$ ▲558,530	$ 680,581	$ 8,185,377	$ 3,242,824
Business Conditions—				
Weekly index, D.B.S. (Sept. 18)	▲113.0	115.5	......	......
Financing (August):				
Iron and Steel (August)				
Pig iron production (tons)	74,578	38,570	578,258	413,893
Steel ingots and castings prod. (tons)	126,695	80,164	962,840	727,657
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (July)	8,643	6,596	86,995	68,461
Factory output (August)	5,814	3,051	115,890	97,607
Trucks and Buses:				
Domestic sales* (July)	3,058	1,690	21,462	15,205
Factory output (August)	4,928	1,609	41,364	23,476
Exports (August)	8,802	3,449	51,416	40,263
Financing (August):				
Used	$ ▲3,153,216	$ 2,129,282	$ 26,177,189	$ 18,619,263
New	$ ▲3,179,696	$ 2,216,705	$ 31,183,770	$ 22,848,254
Construction—				
Cons. contracts (Aug.)	$ 24,830,800	$ 15,536,100	$ 156,691,900	$ 111,113,100
Production (June)—				
Cement, bbls	753,000	559,000	2,090,323	1,629,620
Gypsum, tons (July)	▲125,762	132,461	503,670	371,956
Clay	$ 436,000	$ 344,000	$ 1,596,631	$ 1,260,700
Agriculture—				
Flour prod., bbls. (July)	1,087,159	1,300,667	7,146,758	7,828,026
Flour exp., bbls. (August)	288,608	387,728	2,700,279	3,123,804
Wheat exp., bus. (August)	6,544,967	21,157,268	58,871,691	141,666,362
Cattle sales (July)	99,080	60,855	464,533	454,705
Hog sales (July)	73,276	66,345	597,087	524,590
Sea Fisheries—Aug.‡—				
Catch, cwts.	1,517,250	1,744,240	5,633,760	5,792,340
Landed value	$ 3,246,250	$ 2,949,890	$ 12,527,870	$ 11,916,880
Newsprint (tons)—				
Production (August)	318,713	270,053	2,416,016	2,033,943
Exports, tons (August)	▲283,128	257,576	2,219,873	1,851,919
Mining—				
Coal prod., tons (June)	1,063,865	1,037,700	6,994,251	6,885,469
Coal imports, tons (July)	1,886,445	1,416,455	8,134,431	6,442,683
Gold prod., fine oz. (July)	▲347,474	321,107	2,320,725	2,096,815
Nickel prod., lb. (June)	20,960,000	14,070,000	111,386,601	82,774,668
Copper prod. lb (June)	42,549,292	31,421,070	243,604,966	205,637,311
Employment D.B.S. Index (Sept. 1)—				
All industries	▲123.2	107.1	......	......
Manufacturing	▲121.2	105.9	......	......
Electric Power Output (Aug.)—				
Total monthly m.kh.†	▲2,035,113	1,877,075	16,885,638	15,415,215
Trade (July)—				
Retail trade (index no. of sales)	77.8	71.9	....	....
Wholesale trade (July)	8.2	......	......	......
Dept. store sales (June)•	81.5	75.7	......	......
C'try gen. store sales (June)•	8.6	......	......	......
Imports (July)	$ 71,995,940	$ 53,820,904	$ 452,811,629	$ 347,625,647
Exports (August)	$ 103,338,590	$ 93,529,756	$ 729,288,461	$ 603,043,991
Other Industrial Factors—				
Dressed lumber exp:				
M. bd. ft (August)	170,017	168,440	1,203,892	1,046,385
Boot & shoe prod., pr. (July)	2,055,533	1,666,578	14,538,744	12,708,662
Crude petrol., imp. gal. (July)	164,723,274	121,335,556	667,472,830	598,785,080
Cotton imports, lb. (July)	12,324,000	5,818,000	92,394,608	75,437,684
Raw rubber imp., lb. (July)	4,359,000	5,095,000	37,590,412	29,306,377
Cigarette cons. (Aug.) No.†	663,989	524,978	4,374,148	3,566,693
Sugar (lb.)—				
Melting & sales§ (raw)	98,769,349	96,510,220	453,006,321	498,130,110
Manufactured§	92,364,014	93,841,054	435,152,152	480,920,602
Finance—				
Bank debits (August)†	$ ▲2,612,058	$ 2,619,153	$ 23,519,603	$ 22,759,663
Bond sales (August)	$ ▲50,302,000	$ 27,613,351	$ 861,214,565	$ 850,240,391
Life insurance (Aug.)	$ 28,274,000	$ 23,547,000	$ 253,416,000	$ 236,210,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 17.
•Percentage increase over last year
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

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Ottawa Holds A Whip Hand In Trade Deal

Anglo-U.S. Pact May Open Field for Good Bargain With Washington

CABINET SILENT

From Our Own Correspondent

OTTAWA.—Few subjects are more obscure on Parliament Hill these days than the part—if any—which Canada is playing in endeavoring to facilitate a trade agreement between the United States and Great Britain.

Members of the Cabinet are guarded to the point of being wholly uncommunicative with respect to the extent to which the Dominion is being kept informed of the progress of such negotiations.

The reason the ministers are thus reticent in regard to the matter, as Parliament Hill understands it, is that the project for a United States-United Kingdom trade treaty was first published by Canadian correspondents just prior to the recent Imperial Conference. The dispatches credited Prime Minister King with being President Roosevelt's unofficial emissary to London the intimation being that Mr. King was prepared to sacrifice some of the Dominion's preferences in the United Kingdom market and cede them to the United States, in return for greater concessions to Canada under the Canada-United States trade agreement.

No Chore Boy

This report is understood to have annoyed Mr. King. Consequently, it is difficult to learn from ministerial sources whether a United States-Great Britain trade treaty impends, with the natural likelihood of a shuffling of Canada's concessions in both the United Kingdom and the United States markets, or whether the status quo is to be maintained between the three North Atlantic Anglo-Saxon countries. All that can be secured on the subject is the definite statement that whatever negotiations may be under way between the American Republic and Great Britain are being conducted directly, and that Canada is no "chore boy" in the matter for either party.

At the same time, officials intimate that more than casual importance should be attached to the radio speech of the British foreign minister, Anthony Eden, during the past week when he stressed Britain's anxiety for economic co-operation and her willingness to lower her tariff barriers.

As Ottawa Sees It

Consequently, the conviction which Ottawa's observers hold of the United Kingdom-United States-Canada trade triangle is that:

(1) Negotiations for a United Kingdom-United States trade treaty are still in progress, with a reasonable prospect that they will be satisfactorily concluded.

(2) Canada is playing no direct part in the discussions by which the negotiations are proceeding.

(3) Canada believes that, in the exclusive preferences in the United Kingdom market, it holds the whip hand, ultimately, over any London-Washington trade deal.

(4) Ottawa is prepared to use its position of advantage for the purpose of bargaining for more advantageous concessions for Canada in the United States market.

Newspaper correspondents recently questioned Prime Minister King on the subject, without obtaining any data which would either extend or alter the foregoing analysis. All that Mr. King would say was that any United Kingdom-United States arrangement which called for the minimizing of any of Canada's advantages in the United Kingdom market would necessarily require the concurrence of the Dominion.

Individuals who are closest to the trading policies of the present ministry, however, do not doubt for an instant the Government's willingness to modify its British concessions for equal advantages in the United States market. They point out that the Imperial preferences, after all, constitute the late Bennett Government's "baby" which the present administration simply adopted. The United States trade agreement, on the other hand, represents the most boasted treaty achievement of the present Government.

Steel Wares' Sales Ahead 18%

From Our Own Correspondent

MONTREAL.—General Steel Wares' sales during the eight months ended Aug. 21, showed an increase of 18% over the corresponding eriod of 1936, while returns for the first half of September were 13% ahead of last year, according to a statement released by John C. Newman, president. He further states the company is well situated with regard to raw materials, having contracted for steel supplies last autumn at prices below current levels.

Background of Business

Motor Sales

Canadians will get their first glimpse of many of the new 1938 motor cars next month. The National Motor Show of Canada opens in Toronto on Nov. 6 and the Montreal show on Nov. 20, both displays lasting a week. It follows the big national show in United States which opens a fortnight earlier than usual in New York City on Oct. 27.

It is expected that practically all the new models will be on display at these two shows, including first appearance for many lines. A few manufacturers, particularly the so-called independents, have already introduced some 1938 models. Since the fall introduction of new models was inaugurated a few years ago there has been a considerable spreading of sales over the year though the peak is still reached in late spring and early summer in Ontario.

• • •

Higher Tire Prices

Canadian rubber manufacturers have finally passed along to the consumer higher production costs on automobile tires. Increases of approximately 5% are announced. In some respects the change is an adjustment as previously there was too wide or too narrow a margin between certain grades and sizes. These have now been brought into line and the general level raised in keeping with higher wages and increased costs of cotton, rubber and other raw materials.

While prices of the latter commodities have actually declined in recent weeks along with the general commodity market, The Financial Post is informed that raw rubber prices are still about double what they were when the last tire increase was announced over a year ago. Since then, too, although there has been no change in Canada, two increases have been announced in United States.

• • •

Lone Sales Tax in Sask.

Saskatchewan merchants are much concerned over the provincial sales tax situation in their province, particularly since a similar levy has been cancelled in Alberta. Now with no tax in provinces on either side of them merchants near the borders of Manitoba or Alberta are finding trade diverted to competitors across the line. Competition, too, from mail order houses is getting keener. The impression prevails, according to Hardware and Metal, that no tax need be collected on goods purchased from branch houses outside Saskatchewan. The Saskatchewan 2% sales tax does not, of course, apply to basic food products but it does to many manufacturers' goods and, therefore, seriously affects such commodities as hardware.

• • •

No Tomato Glut

Unless eastern Canada is favored with an unusually long and warm fall, Canadian Grocer does not believe that there will be any great surplus stocks of canned tomatoes accumulated this season. Carryover from last year was unusually small and although there was a considerable extension in acreage planted last spring much of this failed to materialize into crops. Many fields in western Ontario were flooded and a long period of dry weather cut down production in Quebec.

Bankruptcies

The Canada Gazette announces meetings of the creditors in the matter of:

Holden Lumber Co., North Bay, Ont.
Ostrander, L. A., Woodbridge.
Hendry, F. W., Larder Lake.
MacInnes, A. G., Brockville.
Beaumont, H. A., Kirkland Lake.
Corkery Bros., Ottawa.
Niagara Tubes Ltd., Beamsville.
Grace A., Toronto.
Gallup, W. B., Asbestos, Que.
Freedman, J., Montreal.
Cox, J. J., Montreal.
Ritchie, L., Montreal.
Montreal City Land Co., Montreal.
Gingras C. E., Sherbrooke.
Silvestre, S., Notre Dame des Graces.
Prud'homme, C. E., Montreal.
Brunelle, A., Marieville.
Tremblay, J. A., Montreal.
Hamel, A., Montreal.
Poulin, L. P., Beauceville.
Groleau L. P., L'Assomption.
Syndicat (Le) Cooperatif Agricole de St. Gervais, St. Gervais.
Levasseur, L., Windsor Mills.
Theriault, M., Hull.
Lambert, V. St. Jean.
Hamel, P. O., Quebec.
Badner K., Broadview, Sask.
Engen, B., Bawlf, Alta.
MacDonald, J. P., Halifax, N.S.
Weddleton, K. B., Shelburne.
Shore, J., Ottawa.
Hefferman, C. A., Drayton.
Leonard Transport Ltd., Hamilton.
Nugent, W., Cornwall.
Costello, W. M., Montreal.
Gagnon, Dame A., Montreal.
Letourneau, Miss L., St. Pierre de Montmagny.
Loranger, D., Cap de la Madeleine.
Gauvreau, D. P., Montreal.
Lymburner, L. M., Jr., Montreal.
Brousseau, G., St. Hyacinthe.
Therrien, A., Quebec.
Fournier, Dame J., Luceville.
Morand, W., Chateauguay Bassin.

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DESIRING!

TRANSPARENT packaging *sells* . . . because people want what they can *see!* Clear display suggests freshness, cleanliness, purity . . . lets goods sell themselves. So the consumer advantages of "Cellophane" itself are simple and direct.

But the problem of Canadian Industries Limited in *advertising* "Cellophane" is far from simple, because it is NOT direct! There are very real difficulties in selling to the public something which the public doesn't buy! Advertising directed to the *consumer only* would be slow, wasteful. Advertising directed to the *manufacturer only* would neither convince the manufacturer nor assure maximum public acceptance for the product packaged in "Cellophane".

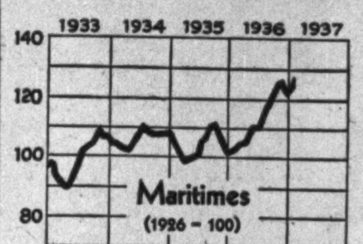
"Cellophane" advertising has therefore developed a double-barrelled technique which is simultaneously influencing manufacturers, and dramatizing to the public the BASIC IDEAS of visibility and protection. The modern retail store attests to its success.

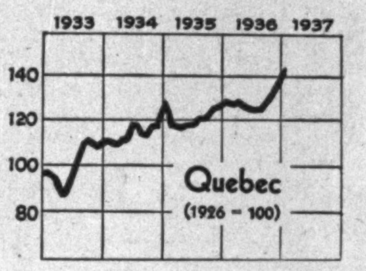
The following divisions of Canadian Industries Limited are clients of the J. Walter Thompson Company: "Cellophane", Salt, Paint and Varnish, Organic Chemicals, General Chemicals.

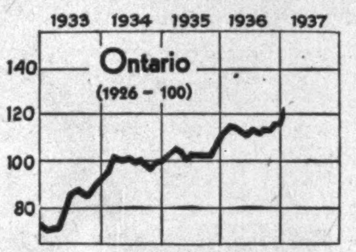
J. WALTER THOMPSON Company, Limited

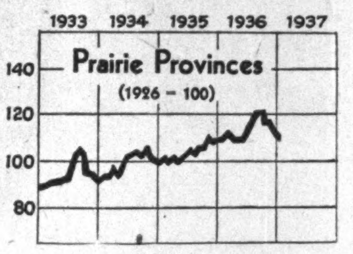
Serving 38 of Canada's leading advertisers, directing campaigns for these among other products: LUX TOILET SOAP, FLEISCHMANN'S YEAST, LABATT'S ALES, BARRETT ROOFING, WRIGLEY'S GUM, ABSORBINE JR., FIVE ROSES FLOUR, BROMO-SELTZER, CUTEX MANICURE SPECIALTIES.

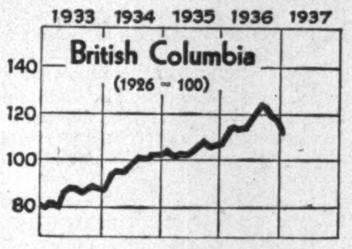
Canadian Business Holds Big Lead Over Last Year











Trend of Business in Five Economic Areas

	Aug., 1937	Change from Aug., 1936
Maritimes—		
Constr. contracts $	1,557,000	— 0.8
Bldg. permits $	187,000	— 10.5
Life insce. sales $000	2,363	+ 15.7
Bank debits $000,000	57.9	+ 20.9
Electric pwr. kw.h. 000	83,000	+ 23.9
Employment 1926=100	135.4	+ 18.4
Tonnage of vessels cleared tons	469,875	— 21.7
Exports $	6,692,470	+ 27.8
Index	133.2	+ 12.2
Quebec—		
Constr. contracts $	11,731,000	+212.7
Bldg. permits $	774,000	— 7.7
Life insce sales $000	8,014	+ 26.4
Bank debits $000,000	877	+ 11.2
Electric pwr. kw h. 000	1,074,000	+ 4.6
Employment 1926=100	124.5	+ 20.9
Newsprint prod. tons	318,713	+ 18.0
Index	143.6	+ 14.7
Ontario—		
Constr. contracts $	8,349,000	+ 26.0
Bldg. permits $	2,158,000	+ 19.2
Life insce. sales $000	11,631	+ 20.1
Bank debits $000,000	1,150	+ 5.1
Electric pwr. kw.h. 000	737,000	+ 15.9
Employment 1926=100	125.0	+ 15.6
Livestock slaughterings 1926=100	143.7	+ 1.6
Steel prod. tons	126,695	+ 58.1
Auto. prod. No.	10,742	+130.5
Index	128.3	+ 1.7
Prairie Provinces—		
Constr. contracts $	2,145,000	+ 0.6
Bldg. permits $	497,000	+ 15.9
Life insce. sales $000	3,517	+ 11.1
Bank debits $000,000	352	— 32.7
Electric pwr. kw.h. 000	145,000	+ 6.6
Employment 1926=100	109.4	+ 1.9
Wheat receipts bush.	19,786,000	— 51.5
Wheat prices—Cents and eighths of a cent per bush	131/6	+ 28.9
Index	112.9	— 3.3
British Columbia—		
Constr. contracts $	1,049,000	— 27.8
Bldg. permits $	601,000	+ 55.7
Life insce sales $000	2,366	+ 16.7
Bank debits $000,000	177.1	+ 6.6
Electric pwr. kw.h. 000	158,000	+ 2.6
Employment 1926=100	121.2	+ 10.9
Exports $	11,436,742	— 20.6
Index	128.5	+ 7.0

Only in the Prairie Provinces has Canadian business this season so far failed to hold the substantial lead over 1936. Elsewhere gains were well maintained in August and the expectation is that volume for the whole country will now exceed any year since 1929. The excellent showing in employment and bank debits accounted, in large measure, for the gain in the August indices. Employment showed adjusted gains in each of the economic areas except the Maritimes, while bank debits showed a gain throughout the Dominion with the exception of the Prairie Provinces. The new business obtained by the construction industry in the form of contracts, was considerably greater in the three eastern areas. Electric power, on the other hand, showed a decline in all areas, except the Maritime Provinces, and Quebec alone showed a gain in life insurance sales.

SECURITIES SHOULD BE SUPERVISED

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Trend of Canadian Business

At this particular time it is most interesting to compare the trend of business in Canada with the trend of the markets over the past few years. Has business receded sufficiently to warrant the decline in security values? Is this decline forecasting a drop in business? Our Quarterly Review gives you a brief but clear view of the present picture.

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Courtaulds "Quality-Control" Plan is a guarantee of quality, with a direct interest to the consumer. It gives the purchaser positive proof of quality in fabric construction, fabric purity, tensile strength . . . of quality after washing or dry-cleaning, of retention of colours, and of resistance to fraying. All the unseen qualities which the consumer desires.

The Courtaulds "Quality-Control" Hallmark will identify only those rayon products which meet the specifications established and pass the tests in ALL of these classifications carried out by the nationally known Ontario Research Foundation.

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Courtaulds (Canada) Limited will contract with manufacturers permitting them to identify products made from Courtaulds rayon yarn with the Courtaulds "Quality-Control" Hallmark.

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IT'S TESTED

Construction

First Clover Leaf Turn In Canada Ready Soon

Thirty-seven Miles Completed on Modernization Project for Niagara-Toronto Highway Route — Left Turn Eliminated at Main Intersections

Advances made in road engineering in Europe and the United States have been combined in bringing Canada's most travelled highway route up to date.

This route, starting from the American border at Niagara Falls, Ont., runs by way of St. Catharines and Hamilton to Toronto and Oshawa. From Toronto to Hamilton a large part of the route is new highway running between the two present roads. This, and the rest of the route when completed, will provide a four-lane highway divided by boulevard and at least two cloverleaf intersections. About 37 miles of the modernized roadway are now in use and work is progressing on another 25-mile stretch. Plans call for a non-stop programme over the whole route.

The double divided highway has been chosen as the new answer of the world's engineers to the highway speed and safety problem. In some parts of the United States where highways have not been divided one half of the road is being transplanted bodily and a boulevard put in the middle. Highway experts claim that boulevards separating the two lines of moving traffic are an important safety measure.

The first cloverleaf intersection in the Dominion will be in use shortly near Burlington. A second cloverleaf is now under construction at an important intersection west of Toronto on the new road. At this intersection the motorist from the west will be able to turn north, avoiding the Toronto streets, and head for Muskoka and northern Ontario. The north-south road paralleling the present Yonge Street highway will eventually also be a four-lane highway.

The advantage of the cloverleaf intersection is that it entirely eliminates the dangerous left hand turn. Turning no longer involves slowing down, thereby congesting traffic and contributing another major cause of accidents.

The through motorist on the heavier traffic artery takes the inside lane, and shoots through the intersection underneath a subway.

To make a left-hand turn from the main to the secondary road, the motorist eases into the outer lane, veers to the right into a cut-off which carries him in an easy, banked half circle up and over the subway and straight on to the highway, now at right angles to the one he has just been travelling.

Left-hand turns from the secondary to the main artery work the same, but make a full circle to the right and are thus slightly longer.

Cost of the new road naturally is double that of the old two-lane highway. While Government officials decline to give any statement of the cost of the road now under construction, it is estimated that in southern Ontario where grades are generally moderate and rock cuts seldom necessary the cost runs somewhere around $50,000 per mile. Added to that figure, of course, must be the cost of expropriating land for the additional road width.

Grades are being kept to three feet in every 100. Most first-rate highways to date have grades as steep as eight feet in 100. Curves are seldom over one degree and never more than three degrees instead of the 15, 30 or more on the older roads.

Banking curves has been found unnecessary because of the low degree curves and there is no tire scream or pitch even at speeds far beyond the legal limit.

Building for the future, R. M. Smith, Deputy Minister of Ontario Highways, thinks he has obsolescence beaten for at least 25 years.

Drainage Feature

Drainage is the most important structural feature engineers emphasize. Not enough drainage has been the cause of so much cracking on roads built 15 to 20 years ago such as the Dundas and Kingston roads. The super-road thus gets super drainage.

Expansion joints on the new road are placed every 300 feet, rather than every 60 feet as in roads to date. Six inches to one foot of gravel form the bed. Concrete is the "thickened edge slab" type, 10 inches at the edge, seven inches in the middle, honeycombed with steel rod reinforcement. The surface is concrete, broomed to render it non-skid.

Ontario's new highway builders are keeping a keen eye on the beauty of the route and its environs.

Saving trees that in many places lined the fences along the old narrow road was one of their first concerns. To this end, the new four-lane highway is really made up of the old road, plus a new road set parallel to it over beyond the fence behind the trees.

That's one reason why the double width highway has been widened all on one side, rather than expanded equally on both sides. Not only are the trees saved, but one row of them adds to the beauty and to the safety by standing in the boulevard between the opposite moving lines of traffic. Wherever feasible a new row of trees will be planted along the new fence.

In routing the modern highway, avoiding the main streets of towns and villages is considered fundamental.

In the case of the Toronto-Hamilton "Middle Road" this factor has been nicely adjusted. Between the cities there is the old Lakeshore route, the first 40-mile pavement in Canada, now so built up that it is literally a straggling village for the whole 40 miles. There is the Dundas highway, routed further inland, somewhat more hilly, but much less populous, therefore faster and safer.

The Middle Road, as the name implies, was a secondary road, until now apparently somewhat vaguely routed, between the two, with few grades and few villages or towns.

This was obviously the zone for the super-road. By a little manoeuvring, even railroad crossings were almost eliminated with hardly a subway.

"In spite of protests," said the Deputy Minister of Highways, "time will tell that through traffic is detrimental to local business, rather than a benefit. Statistics indicate that rarely more than 3% and never more than 5% of the through traffic actually stops at local centres and these people would no doubt have pre-determined their destination in any case."

Damage and Expropriation

Another major reason for "back-concession" routing of super-roads is the lower damage and expropriation cost.

Putting these double width roads through an old-established highway route means that almost every foot of property purchased for the two extra strips is valued highly by its owner. Vast also will be damages claimed by property owners and by the hot-dog, tourist camp, gasoline station businessmen lining the route. Buildings may have to be torn down.

Further advantage of rerouting is that an entirely new section of the country enjoys a measure of increased property value by proximity to the highway. Furthermore, there may frequently be a clear addition to the transportation network of the community.

Protests against the "Middle Road" are currently being made by many farmers along the route—and farmers are still an unsolved problem for the super-road engineers.

Local Traffic

"I have to drive over two miles to see my neighbor who lives only half a mile away across the road" is the type of complaint. The boulevard separating opposite-moving traffic can, in general, only be crossed at each concession. The farmer, therefore, either has to drive down the wrong side of the road to his neighbor's gate, or drive up the right side of the road to the concession, cross the boulevard and back down to his destination.

This "local" traffic presents the next highway problem. Parallel secondary roads with under-and-over-passes are just around the corner, engineers indicate.

An 80-foot tunnel, 10 feet wide and 8 feet high, is being installed opposite one school, and more may follow.

The safety and scenic aspect of the hot-dog stand, roadside signs, tourist camps and all the other paraphernalia of the busy highway is also under consideration.

"If these super-highways are allowed to develop as main business thoroughfares, only a limited time will be required before the new highway will be just as bad as the one it has replaced," Mr. Smith warns. "How these restrictions shall apply and how control can be put into effect still remains to be seen."

Construction World

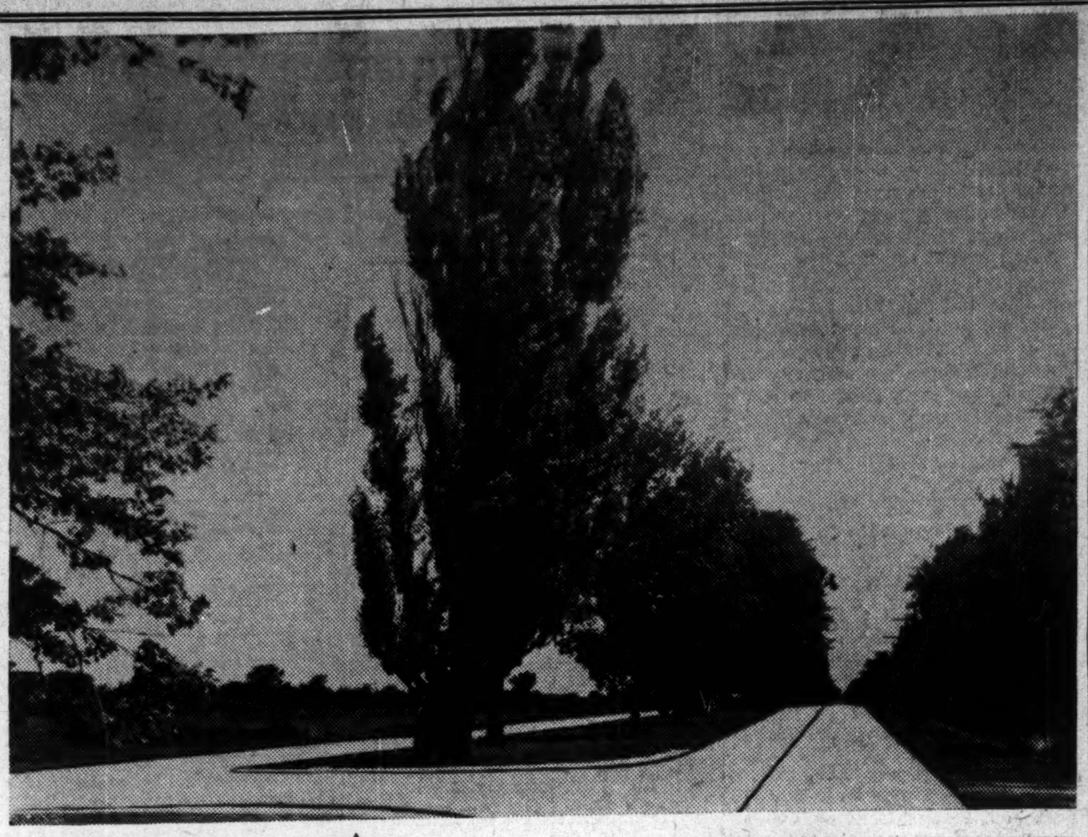
Quebec Highways

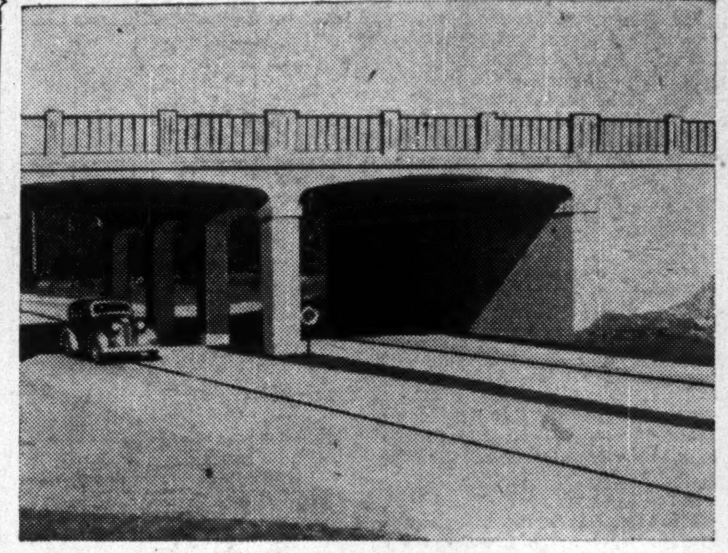
New highways and improved surfaces involving a total of more than 1,800 miles of road will be produced by the elaborate five-year programme, estimated to cost $25 millions, which has been launched by the Quebec Government. As it stands at present, the programme calls for 680 miles of main construction, 500 miles of municipal highways, 150 miles of bituminous surface for secondary roads, and elimination of numerous curves and 29 level crossings. Work is already under way on 80 miles of the Montreal-Quebec highway, this project including considerable resurfacing, elimination of several level crossings, and substitution of a two-mile straight stretch for the "S" curves at St. Augustine.

* * *

New Brunswick Roads

New Brunswick is also going ahead with a long-term programme of highway improvement. Eventually hard surfacing will cover most of the 1,500 miles of the province's main highway system. As a result of intensive road construction during the past few years, nearly 500 miles of the coastline and trans-province arteries have been paved, and another 250 miles are now being surfaced or are being graded in preparation for paving during the next year or so.





ONTARIO SUPER HIGHWAY

Top photo shows a section of the new Middle Road between Toronto and Hamilton. The large trees on the boulevard separating opposite moving lines of traffic were spared by widening the road on one side only. Photo below shows the clover-leaf bridge at Burlington, which will be in use in about a fortnight. Through traffic goes underneath the subway. Traffic turning left takes a cut-off to the right, then curves up and around across this bridge.

Ontario Youth Training In Mines, Farms, Forests

Diplomas for Domestics Part of Widespread Dominion-Provincial Programme for Young Unemployed

Ontario is making widespread plans under the Dominion Provincial Youth Training Programme. The scheme embraces young people between the ages of 18 and 30 years in difficult financial circumstances now registered with the employment service of Canada.

Dominion representatives will keep in close contact with all aspects of the work in co-operation with provincial authorities who will bear the cost of administration. J. F. Marsh, Ontario deputy minister of labor, will supervise the programme.

The training will, in most cases, be given by the Department of Education—in high schools—technical institutes—and, in some cases, in actual factories.

Train Youth in Mining

The Department of Mines has arranged to train 50 youths in mining. They will receive a six months course, during which period they will be given an allowance each week for living expenses. They will be enabled at the end of the training—about March 1—to take over some surveying, assaying, mineralogical work and similar tasks in the new and smaller mines, that do not carry fully qualified personnel.

The Department of Lands and Forests has already placed 350 physically fit young men in 31 training camps in the forest, pulp and lumber districts of northern Ontario. These boys are under the care of competent instructors, and will be trained to work in pulp mills, timber cutting operations, and other local industries.

Agriculture, and the special needs of farm life, have been given careful consideration. The European plan of permanent training homes will not at present be used in Ontario. Ten boys from each county will be selected and placed in care of the most outstanding farmers in each district; the selection of the boys and farmers being under care of the agricultural representative—Dominion representative—and drawn from employment service record.

Six months of practical instruction with the farmer will be given. During the winter a two or three weeks short course of special instruction in such subjects as feeding, croppage, etc., will be taken in a convenient centre, while board and return transportation will be covered by the plan.

Centres are being chosen where 30 to 40 older 'teen-aged girls can permanently live together, during a three months training period. The House Mother will be selected for her personality as a leader, qualifications as instructress, and training in domestic science.

The girls will be provided with board and uniform, but bring their own clothes; it is also expected a distinctive emblem will be worn on the uniform, similar to that carried by nurses.

Diploma for Domestics

At the end of the period a certificate will be awarded to the trainee—and after living with a private family for three months more, a permanent diploma will be granted.

The appointment of special representatives commenced Sept. 1 under the supervision of the Ontario director of apprentices. Leaders of industry, factory foremen, employers of commercial help of skilled nature, will be asked how many apprentices they will be willing to train.

The general age level of all employees has risen, due to the lack of advancement during depression years, and, because a smaller number of apprentices has been engaged, with the result that—though numbers of unemployed are available—certain trades and operations already experience a lack of skilled workers.

Weekly Living Allowance

Training courses will be provided up to thirteen weeks duration by the Department of Education under direction of Dr. Duncan McArthur. Under the plan a weekly living allowance will also be paid those taking the course. Trades under the Ontario Apprenticeship Act will in no way be changed by the plan, as no more apprentices will be trained than the agreed ratios call for in the regulations.

Ontario Paper Speeds Plans

Comeau Mill Will Start Operations 3 Months Ahead of Schedule

From Our Own Correspondent

MONTREAL.—Work on the Ontario Paper Co.'s newsprint development at Baie Comeau has progressed faster than anticipated and it is now expected the mill will go into operation next March instead of about June 1 as originally planned. Machinery and mill equipment are now being installed.

When completed the Baie Comeau mill will produce 350 tons of newsprint a day and its entire output will go to the New York Daily News, which, together with the Chicago Tribune, owns the Ontario Paper Co.

Not In Open Market

Operations of the Baie Comeau mill, according to A. A. Schmom, president and general manager, will not affect the general newsprint situation in Canada since it will not operate in the open market.

The Daily News has heretofore been securing its newsprint supply largely from International Paper Co. While the Baie Comeau mill will naturally cause a switch in the source of supply for the New York Daily News, still it is anticipated that by next year the New York paper will have to purchase a large amount of paper over and above that received from Baie Comeau in order to meet its own requirements.

New Building

Palace Amusement Co., Cornwall—1,000-seat theatre planned on downtown property acquired in association with Famous Players Canadian Corp.

Building projects reported by Daily Commercial News and Building Record as under way or contemplated include:

F. B. Dixon, London, tenders received and work to commence shortly on new warehouse for moving and storage business, job to cost $15,000.

Chait Construction Co., Montreal, has let contracts for foundation work and lumber supply on $130,000 apartment house project.

Joseph Gersovitz, Montreal, contemplates new apartment building to cost approximately $200,000.

Department of National Defense, Ottawa, receiving tenders up to Oct. 8 for mess-recreation building at R. C. A. F. station near Trenton, Ont.

Town of Tillsonburg, Ont., receiving tenders to Oct. 7 on $20,000 concrete-steel dam project.

Department of Public Works, Ottawa, receiving tenders to Oct. 15 on mineral, ceramics and ore laboratories to cost $210,000 near fuel testing laboratory at Ottawa; tenders for $20,000 addition to fuel building to be called later.

M. Gold, Ford Hotel, Toronto, contemplates erection of $50,000 theatre building in east end of city.

J. C. Newman Joins Board Hamilton Bridge Co.

From Our Own Correspondent

MONTREAL.—John C. Newman president of General Steel Wares, has been elected to the board of directors of Hamilton Bridge Co. He was first elected to the Hamilton Bridge directorate in 1928, but resigned in 1930 on his appointment to the Montreal Harbor Commission.

Mr. Newman is president of General Steel Wares, J. S. Mitchell and Co. and Baldwins Montreal Ltd., and is a director of Montreal Trust Co. and Sherwin-Williams Co. of Canada.

Quebec City Relief Shows Drop of $99,393

From Our Own Correspondent

MONTREAL.—Relief costs in the City of Quebec are declining, costs for the first four months of the current fiscal year being $99,393 below the amount expended in the corresponding period of last year. Relief expenditures for the period totalled $368,267.

According to the city's relief bureau there were 2,465 unemployed men registered on Sept. 1, against 4,066 a year ago. Actually, there are 11,362 persons receiving relief as compared with 18,140 at this time last year.

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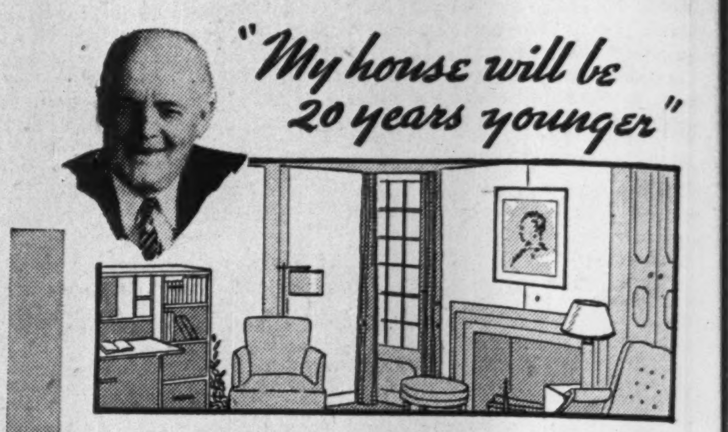
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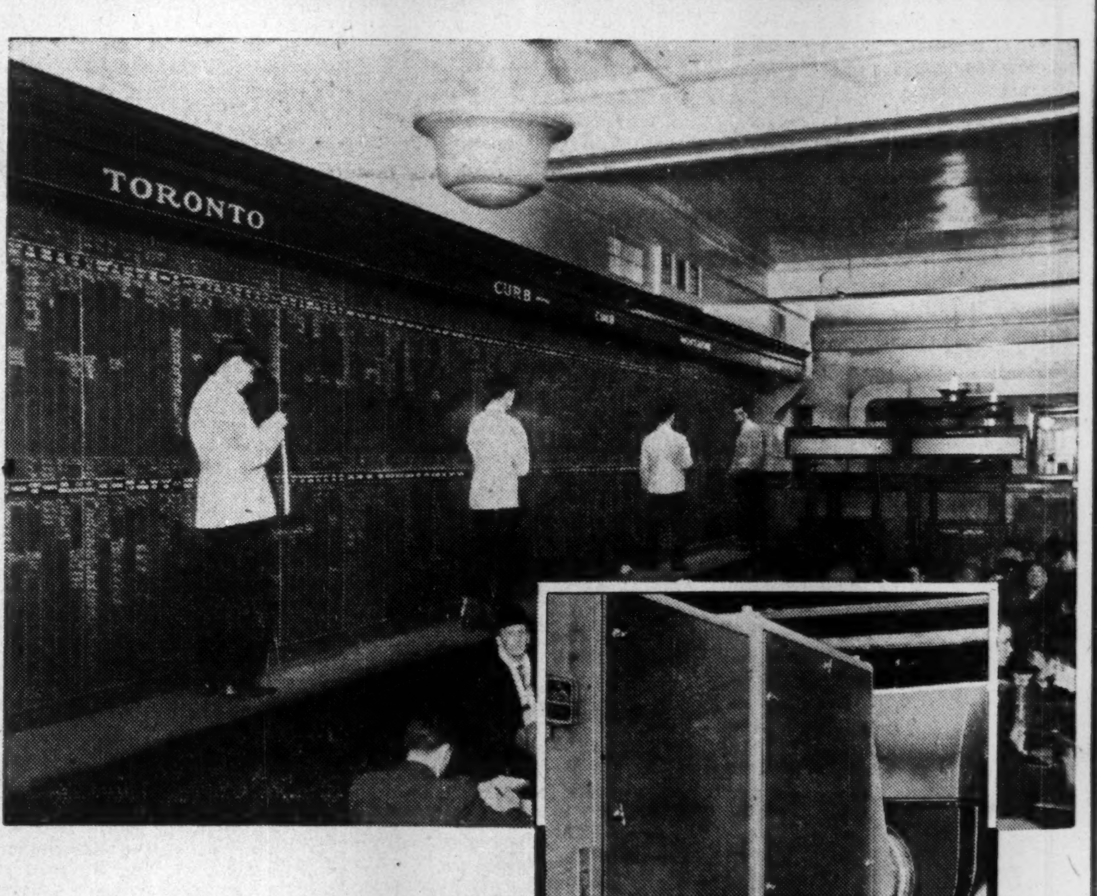

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Are Caution Signals Flashing?

Canadian Picture Bright as Stocks Fall Though Some Hesitation Showing

By GORDON L. SMITH

Will 1938 be a year of business recession? Is the business decline that has already started in the United States going to continue and extend into Canada?

At the moment favorable signs predominate in the horoscope of Canadian business. There are no indications, within the field of production and distribution of goods itself, of any major recession, notwithstanding recent actions of the stock market. There are weaknesses, it is true, but there are more factors that are favorable.

Industrial activity generally is still increasing. Export trade is booming. Employment is rising. Farm revenues, despite the wheat crop failure, will rank the best in seven years. Retail trade, though perhaps less brisk than six months ago, is still moving more goods than at any time since 1929 in the Maritime Provinces, Quebec, Ontario and British Columbia.

Without question, however, there has been a significant change from a few short weeks ago. Shaken by the stock market collapse, by the renewed threat of labor troubles, confidence of early August has been replaced to a considerable extent by uncertainty. With that has followed slacker times for the retail trade, not general in all lines or all areas but persistent enough to carry the normal summer lull in buying through into early fall.

Lost Ground Recovered

Since the middle of 1934 Canadian business has recovered most of the ground lost during the great depression. The comeback has been continuous, at some times almost too rapid. Following such a rise it was only natural that there should ensue a period of digestion, with perhaps some readjustment. Undoubtedly in the opinion of the stock market, which seldom follows the middle road, some correction was necessary and recently it took steps to remedy the situation. But in so far as Canadian business is concerned there is no indication of this correction degenerating into a major rout. All that is expected is consolidation of present progress, probably some minor recession early in 1938 comparable to those relatively small declines which featured Canadian and world business in the 10-year period following the war and which later laid firmer foundations for the longer and prosperous periods later on.

This assumption, of course, is contingent on no drastic changes in the international situation. Wars, inflation or another outbreak of extreme world nationalism, are factors utterly beyond the control of Canadian business alone and yet any of them might have a profound and immediate effect on the general outlook of this country.

Third Major Uncertainty

In classifying life's uncertainties, Sir John A. Macdonald listed only two of major importance: the results of an election or a horse race. On neither, he stated, could one be sure of the outcome in advance.

Canadian industrialists today, planning fall and winter production schedules, wonder why the great statesman of half a century ago did not include the trend of business.

Today the situation is vastly changed. Mussolini tells a group of blackshirts jammed into some Milan square what a fine body of fighters they are and businessmen here tomorrow wonder what will happen to the price of wheat or nickel. The Japs break the Chinese line in Shanghai tomorrow and according to our time, the news is here the day before.

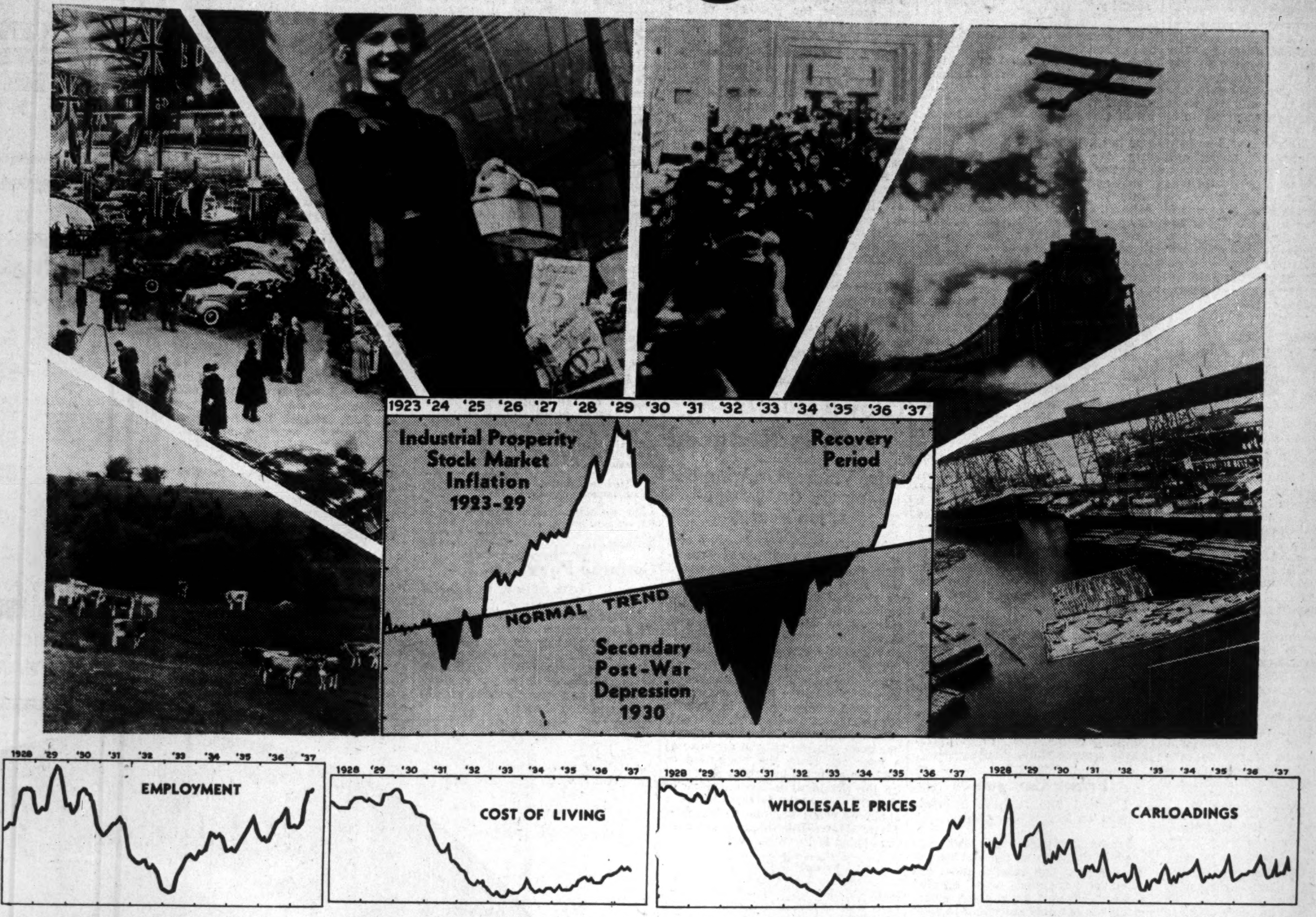
In itself such news would be of no economic importance if we were only tied with the rest of the world by wireless or cable, but we are also linked in trade. We sell to every country and we draw our supplies from them. Prices of all commodities are directly affected by the rise and fall of purchasing power throughout the whole world. Even on those products which are consumed within a few miles of the point of production there is a definite connection.

One might assume that such a local product as a street car ticket would be unaffected. Good for only one railway in one Canadian city certainly it looks immune. But is it? A Winnipeg citizen may be going to use that ticket to take him to a show put on entirely by local talent but if his job with some of the grain companies is jeopardized by a sudden fall in wheat he may decide to walk or stay home.

Export Trade Growing

And so because the whole world is being steadily forged into one great trading unit and particularly because Canada ranks among the world's foremost exporters, no survey of domestic business can afford to ignore conditions in the land of our principal customers. These are two, Great Britain and United States.

To the former we look for an outlet for our big surpluses of wheat, bacon, canned foods, cheese, lumber and salmon. To United States we largely sell newsprint, cattle and lumber. This export trade has been growing steadily from the depths of the depression, although it should be borne in mind that some of this growth represents an increase in dollar value rather than in volume. In that respect there is some need for caution in appraising its permanence. Value of this trade is susceptible to changes in the value of the currency of the countries with which we deal. But within the last decade we have weathered sharp changes in the pound sterling and American dollar, so the danger in that connection is probably not very serious. The only big fear would be a real drop in purchasing power in either country.



Index of Canadian Business as shown by The Financial Post chart is well above the normal trend. Though some lines are beginning to show indications of hesitation, industries are still more prosperous than at any time since the depression. Mixed farming in Canada has rapidly recovered its purchasing power. The motor industry hopes for a good year. The cost of living has gone up but prices of ordinary staples being selected by the shopper above are still below the 1929 high. Retail business has gained in volume. Carloading figures continue to show a brightening transportation picture. Canadian export trade has taken tremendous strides.

Recent Surveys Reassuring

Recent surveys of both United Kingdom and United States are on the whole reassuring, but emphasize concern in regard to the immediate outlook. Observers do not look for the recent rapid rate of recovery to be resumed but they do expect a continuance of moderately good business. The London Economist views the picture as follows:

"There is no sign of that 'levelling-off' which can be expected to precede a decline. The metal industries are particularly active, restrained only by the impossibility of expanding productive capacity quickly enough. The textile industries are not quite so active as they were, but nobody in Lancashire or Yorkshire thinks this pause is more than a hesitation.

"Perhaps the most encouraging feature of all is the very remarkable increase in British exports, apparently undeterred by the higher prices which British exporters are now charging. Imports, too, show no sign of any reduction in British industry's estimates of its raw material requirements."

Similarly hopeful is an American observer who recently summarized the United States outlook as follows:

"Fundamentals are unchanged. Demand for goods is there. Money is cheap and plentiful and is in the hands of large numbers of people who can be counted upon to spend it. Of course, the down trend in security prices suggests uncertainties in the minds of people with money. But once the adjustments now under way are worked out there will be another forward move."

But both of these observers also point out danger signals. In Great Britain the great housing boom of the last five years appears to be approaching completion.

Millions of feet of Canadian lumber have gone into this building but from now on, if exports are to be maintained, new outlets will have to be located. In United States, on the other hand, the expected building boom has not developed to anything like anticipation, and this, along with rising prices of all manufactured products, labor troubles and continued large scale government spending, is viewed with some alarm. Whereas, too, American steel mills only last spring could not guarantee delivery within three or sometimes six months, these backlog orders have now been largely filled and future operations will have to depend on current business.

Writing in Barron's this week, "Trader" summarizes the current position as follows:

"Trade news is amazingly different from the character of reports as recent as early August. Except in the automobile industry, which is just embarking upon initial production schedules of 1938 models, curtailment is the order of the day. Most marked is it in the highly sensitive textile industry. In the steel industry the leading journal continues to emphasize the manner in which forward orders are dwindling. Unpalatable as may be the fact, business recession, instead of seasonal revival—has been the contribution of autumn.

"Pressure of business to move goods is reflected in price cutting in the building, retail shoe and textile trades. Based on replacement costs it is doubtful if a new dollar for an old can be made in these industries. Uneasiness prevails over possibility of price cutting widening."

Industrial Picture Brighter

Industrially Canada appears to be in a better position than either of her two big customers. Here we have been fairly free from labor troubles, we are not depending on any temporary rearmament programme and in practically every industry there is a great potential market from the backlogs developed during the depression.

That we are busy is indicated by the substantial rise in employment, a gradual increase in carloading figures, and highest consumption of electric power in the history of the Dominion. That we are still buying is indicated by monthly figures of bank debits, which have and are still increasing steadily to care for expanding volume of business.

Moreover, in none of these significant factors has the recent rise in consumption or sales been comparable to that which ended in the crash of eight years ago. We have pulled up certainly, but not yet to a height sufficient to create any very big fall.

Buying, which has been increasing, has not developed to anything like sufficient volume to take care of those purchases deferred during the depression. In other words, the losses through depreciation of capital goods during the period 1931-35 have not been made good.

In this respect construction offers a typical example. This will be the biggest year for Canadian building since 1931, but it is still considerably short of the average rate of the last 12 years. To catch up to that average it is conservatively estimated that we would need immediately nearly $225 millions of new houses, $125 millions of new factories and $165 millions of roads, bridges, railways and power plants. In construction, as in most capital goods, Canada has been getting along with the barest minimum requirements since 1930. Until the deficiency has been made good there remains a potential boom in the business of supplying these goods.

Why Lull in Business?

This line up of highly favorable factors naturally prompts the query, "Then why the lull in business now?"

There are several reasons, but the most important undoubtedly is answered by a comparison of the trends of wholesale prices and cost of living. Both of these coasted along on an even keel from 1932 until about the middle of 1936, when the first general wage increases in industry started.

At first these increases and also gains in commodity prices came without any noticeable increase in the cost of living. The extra money as a result went directly into new purchasing power. Wage increases have continued generally into the current year with the average industrial wage in Canada at present from 5 to 10% above 1936. But the cost of living for the average family of five, in an average six-room house, has risen from a low of $16.50 per week last year to almost $17.50 today. Most of the higher wages industry is paying now, therefore, are going for the same routine products—rent, food and heat—that the lower wages bought last year and in the four years preceding. There is little left for that new purchasing power that business requires ever so often if it is to continue to move upward.

It is this absence of new purchasing power that is mainly responsible for the lack of zest in fall buying today. Normally, we would now be in the midst of selling from $350 to $450 millions of brand new wheat. Instead, we have harvested a crop worth not more than $200 millions at the point of production and this year's failure represents the fifth wheat crop in succession well below our average of 350 million bushels. Instead of at least $100 millions new purchasing power in southern Saskatchewan alone this fall there will be a bill of several million dollars for relief.

Farm Prices Discounted

Other crops in Canada have been above average and total agricultural revenue will undoubtedly exceed any year since 1929. But business has already largely benefitted from better agricultural returns. The gain (in a stock market sense) has been discounted. Moreover, the recent drop in commodity prices has already made some downward revision of farm revenue necessary, which may have a more serious psychological than actual effect on farm purchasing power.

Losses in the stock market have already had some effect on luxury buying and if they continue may seriously restrict fall and winter trade. A man who has dropped a few thousands in the market, even if part of this loss represented former paper profits, will not be inclined to buy his wife or anyone else a fur coat or world cruise ticket for Christmas. These stock market losses have already gone far in offsetting the higher dividend returns of the current year.

On the Pacific Coast there is a lull in lumbering pending the development of new export buying. While the great pulp industries of central Canada and British Columbia are still operating at the best capacity in years with production at record levels, there is concern over the accumulating paper stocks in United States publishers' hands.

Wait for New Money

Ignoring the ever present dangers of international complications in Europe or elsewhere,, the unfavorable factors just cited are sufficient in themselves to account for the present slackness in buying. They are also sufficient to maintain this dullness until well into the new year but can hardly prevent Canadian business generally from operating at close to the present moderately satisfactory level.

The present check, of course, would be completely forgotten or ignored if anything like a permanently peaceful solution was announced by the great powers of Europe, a move which would inevitably be followed by an upward surge in world trade. Lacking that, however, Canadian business may have to reconcile itself to marking time and even some relatively minor recession from the present state of recovery until new purchasing power appears in 1938.

Proud Moscow Exiles Old Flivvers

By MURRAY R. CHIPMAN
Eastern Manager, The Financial Post

My previous article had the title "Rhapsody in the Red."

"Rhapsody" can be considered the propaganda vision of Soviet Russia. "In the Red" may be interpreted as having two implications. It is our symbol of things which do not pay (they are still trying to bring cost accounting into Soviet industry and to check their waste in materials and manpower). And red is also the symbol of blood.

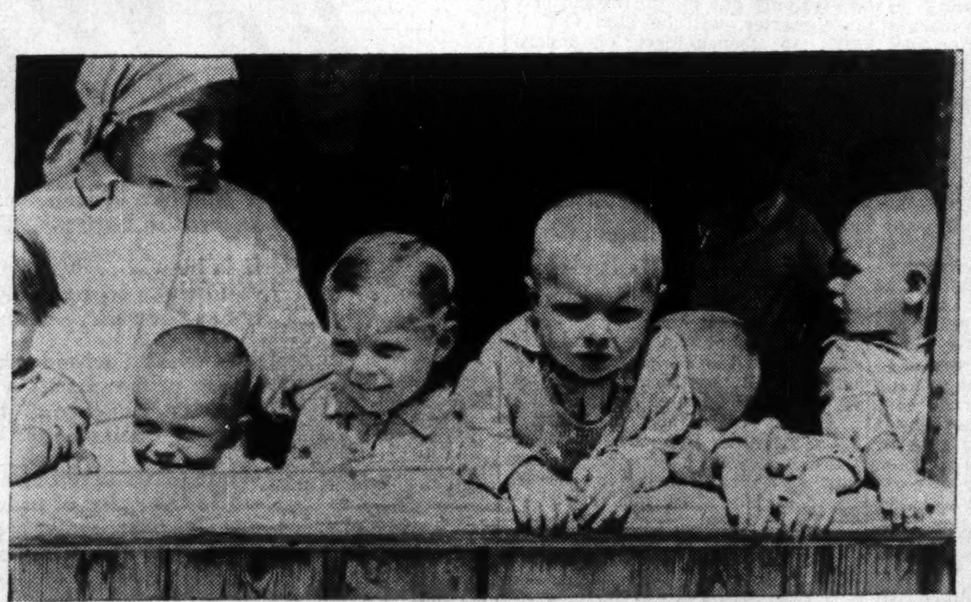
Moscow brought me into first touch with minds that gave some light on these twin problems of industrial inefficiency and political purges. For there is a connection between the two.

Criticism of Quota Failure

Said one informant, "You will get some clue to the colossal problem of Russia's planned economy and its present halting progress from their press. In fact, their candid criticism of industrial quota failures is the only evidence there is of their boasted freedom of the press."

I read a translation of an article in "Pravda," the official newspaper of the Communist party. It listed the percentages of increase or decrease in leading branches of heavy industry for the first half of this year.

Said the article: "Some industries are ahead but they have not fulfilled the plan. Chief administration of the Auto-Traction industry and Dibits, who heads it, have failed to establish rigid discipline in the factories and to supply the latter with necessary materials, as a result of which the automobile conveyors worked with long interruptions . . ."



Shoes for the baby—a problem even in Russia. Average wages are 360 roubles a month. Best quality men's shoes cost 250 roubles; second quality 174.25 roubles.

"Chief administration of the Electric Power industry sticks to the level of 92 to 93% of the plan. Breakdowns are plentiful in the power stations and are poorly prepared for the autumn and winter maximum..."

"Increase in production of steel and rolled metal is completely inadequate . . ."

"The copper industry fulfilled only 36.1% of its annual programme and the aluminum industry only 38.5% . . ."

"Being built up in accordance with a definite socialistic plan, heavy industry and the entire economy of the nation cannot agree with such sluggishness or lack of discipline. The struggle against wilful loafers and disorganizers of production is not strong enough."

My informant continued: "You may not fully appreciate what these criticisms in the communistic press mean. Like the bulletins in the factories which caricature a worker whom they desire to discipline, these criticisms in the press are ofttimes a means of putting a former industrial hero 'on the spot' as a prelude to his demotion."

I said to him: "It looks as though human nature raises its ugly head even in a planned economy, judging from the way the Soviet leadership is demanding penalties for non-production. How do they actually get discipline?"

He replied: "Well, the payment of better incomes for better work is one incentive, but the compellng motive is fear. Even the innocent suffer if they are accused of criticizing the regime or of sabotage. Sabotage or 'Trotskyism' covers a multitude of sins. Fear has many ears and will listen to any bearer of tales. The worker never quite knows whom he can trust and the dreaded Gay Pay Oo police are never far away. Particularly vulnerable are those who accept responsibility in industry because in the last analysis failures are accredited to them."

"Then is it correct to say that the conditions you have outlined above are one explanation of the present purges?" I asked.

"Yes," he replied. "But there are two other reasons I would suggest. First, it may be true that there is more anti-Soviet political activity under the surface than is apparent. The Russian is an Asiatic first. With him western industrial civilization has made no change in his fundamental character. Hence, individual life is not especially valuable, only a dead enemy is a friend.

"My second reason is perhaps the timely one, however. There is forthcoming the Soviet's first election by secret ballot. Ironi-

(Continued on page 16)

Your Investments

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Kelvinator Common

Will you please give me information on Kelvinator common which I bought at 33 and which is now selling around 22? What are the prospects?

One reason that Kelvinator of Canada shares have been selling at a reduced price is that the company will do well to earn $2.25 a share for the year ended Sept. 30, 1937, as compared with $3.05 a share in the preceding year. You will recollect that the initial dividend of $1.25 a share, paid in September, 1936, did not necessarily establish a regular rate, but rather represented a lump payment on the strength of last year's results. Evidence of this is seen in the declaration of a $1 dividend payment Sept. 29, 1937.

Prospects of the company for the 1937-1938 year are regarded as encouraging by the management. This year's sales in England and Canada are expected to be about the same as those of last year. Sales volume has been maintained largely by introduction of new business in air-conditioning and manufacturing of industrial refrigeration equipment. Otherwise there might have been a larger decline in earnings because of lower volume of sales of ice cream cabinets and domestic refrigerators. Now, the company and its English subsidiary are planning to concentrate more intensively on the new industrial and air-conditioning lines. These, it is said, can be handled without a proportionate increase in overhead and are, therefore, expected to aid earnings. However, the forthcoming financial statement will hardly make as good reading as that of last year.

Asbestos Corp.

Will you please let me have your opinion on the outlook for Asbestos Corp. and prospects for a dividend? Why has the stock fallen off in value?

The immediate situation of Asbestos Corp. is favorable. Demand for all grades of asbestos is higher than it was in 1936. The market continues strong, with prices generally higher than those of a year ago.

Asbestos Corp. is securing an increasing amount of business and the 1937 financial statement is expected to show a further expansion in income. There is now no obstacle to a dividend on the common. Expectations are that the directors will consider this matter after the year's results are known.

Asbestos common has declined in sympathy with the general market. As far as Asbestos Corp. is concerned, there have been no particularly adverse developments.

Pacific Power

Can you give me any information about Pacific Power & Water Co.?

An issue of $300,000 in 5% bonds of Pacific Power & Water Co. has recently been offered. The company is a relatively small public utility concern supplying light, water and telephone service to a number of communities in British Columbia. Capitalization consists of the $300,000 in 5% bonds, $180,000 in 6% prior preferred stocks, $87,850 in 7% second preferred and 18,550 common. Average earnings for the past 10 years have been more than 2.85 times interest requirements on the bond issue. For the 12 months ended June 30, 1937, net earnings after $18,912 for depreciation, were $49,198.

Windsor Bonds

I hold a City of Windsor 5½% bond which matured in 1936. Can you tell me what is being done about this security?

Windsor has been refinanced and the new securities to which you are entitled for your bond will be available after Oct. 11, from the Guaranty Trust Co. of Canada. You will be required to obtain a letter of transmittal to surrender your debenture with coupons maturing on and after Dec. 1, 1932, attached. You will receive new debentures which will mature on Dec. 31, 1975, for the same principal amount as you now hold. Interest on your 5½% bond will be payable at the rate of 3¼%. There is a possibility that you may receive additional interest, known as income interest, up to a maximum of 4½%. The income interest is payable in any year in which the city's operating expenses are in excess of $2.9 millions in which case the city must make available for debenture holders $125 for each $100 of such excess. Half of this $125 will be paid as additional debenture interest and the remaining half will be paid into sinking fund. Past due interest will be paid in cash immediately on receipt of your new debentures. This applies on interest which became due up to and including Dec. 31, 1935, and in the case of old Windsor debentures you will receive 52% of such past due interest. Interest on the new debentures accrues from Jan. 1, 1936.

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Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:

for 1 or 2 years - 3 %
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ASSETS EXCEED $68,000,000

Power Corp.

Kindly let me have a report on Power Corp. of Canada and the outlook for further improvement in its position.

Power Corp. of Canada's current position has been affected adversely by the recent sharp break in stock market value. In view of the company's wide holdings, the investment portfolio undoubtedly has suffered a shrinkage in market value. However, on June 30 last, the end of the company's fiscal year, the balance sheet showed investments and advances to subsidiaries totalling nearly $26.9 millions, against which the market value totalled $29.2 millions. The funded debt has been reduced to about $10 millions, while the capital stock remains unchanged. Earnings on common amounted to 73 cents a share as against 50 cents in previous year.

The outlook depends upon two factors, namely improved income for subsidiaries and increase in the market value of the company's security holdings. The subsidiaries should continue to expand. As to what is likely to happen to other investments, it is difficult to say at this time owing to the condition of the market.

Three-payment Bonds

I have been told that there are distinct advantages to the investor in holding bonds payable in Canadian or United States or sterling at the option of the holder. I would be obliged if you could outline the more important of these advantages.

There are at least three major advantages in holding bonds payable in more than one currency. In the first place a wider market should be available. An American or English investor is more likely to be interested in buying a Canadian Government or corporation bond payable in his own currency. His income would not be subject to possible adverse fluctuation in exchange.

By the same token there is speculative possibility in this exchange fluctuation. During the years when the Canadian dollar was at a severe discount in New York Canadian holders of Dominion Government or corporation securities payable in New York received a substantially higher yield from their investment.

In the third place a bond payable in outside currency is considered to provide slightly better security. While there have been exceptions, the record of Canadian financing shows that governments or corporations are more likely in times of financial difficulty to maintain interest payments when they have bonds payable in centres outside the country.

Edmonton, Dunvegan & B. C.

What is the present status of the bonds of Edmonton, Dunvegan & British Columbia Railway Co.?

Edmonton, Dunvegan and British Columbia Railway Co. was acquired in 1929 from the Province of Alberta by the C. P. R. and C. N. R. The two railways jointly assumed a guarantee for principal and interest on the first mortgage 40% debenture stock due Feb. 16, 1942 and the first mortgage 4½% bonds due Oct. 22, 1944, of the E., D. and B. C. Railway. Interest and principal on these bonds was formerly guaranteed unconditionally by the province and the C. P. R. and C. N. R. have agreed to indemnify the province against all liabilities in connection with this guarantee.

Corrugated Paper

Please give me information on the investment position of Corrugated Paper Box preferred shares.

Earnings of Corrugated Paper Box Co. in the past three years have exceeded the $7 annual dividend rate on the preferred stock but not by an unusually large margin. This may account for the fact that the shares have sold steadily at a discount despite redemption at the full annual dividend rate. Last year $11.60 a share was earned.

Working capital fell from $181,000 in 1930 to $106,958 in 1931. In the following five years there have been steady annual increases, raising the total to $338,559 at Dec. 31, 1936. The position of the preferred has been strengthened by reduction of outstanding shares from 8,500 in 1929 to 7,310 at the close of 1936. The present year's business has been satisfactory.

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St. Lawrence Corp.

I am interested in St. Lawrence Corp. A stock and would like to have your comments on this security.

St. Lawrence Corp.'s position has undergone improvement in the past year, due to betterment in position of its subsidiaries. These subsidiaries, all of which are newsprint producers, have experienced a broad expansion in volume of business, while the price of their products has advanced to a level where they are assured of profitable operation.

St. Lawrence class A stock represents junior security holdings in Lake St. John Power and Paper, St. Lawrence Paper Mills and Brompton (more largely the latter). Brompton's earning power has expanded in the last 18 months and there is a possibility that it may pay something to the parent company. But until such revenues are received (in the form of dividends) St. Lawrence Corp. is not in a position to pay anything on its A stock.

Massey-Harris

Will you kindly outline the position of Massey-Harris 5% bonds?

Massey-Harris Co. last year covered its bond interest, after depreciation, for the first time since 1929. It is expected this year to show a profit. The company has not had good results in western Canada, and exports to Argentina may decrease, but there have been good crops in eastern Canada and so far its export business and its volume in the United States have been good.

Last year certain adjustments were made in sinking fund to remove the default, but the company must pay off $2 millions of bonds before any dividends can be paid. This is a protection for bondholders. If high prices for agricultural products are maintained, and if bountiful crops are once more obtained in western Canada, the company could cover its bond interest by a much wider margin.

Fraser Companies

I would like to have a brief report on Fraser Companies.

Fraser Companies has strengthened its position in the last two or three years. The balance sheet has been strengthened and earning power increased to a point where income is not only sufficient to meet debt charges, but to leave a balance over for the common. Outlook is for a substantial gain in earnings on common stock this year. Prospects of a dividend are not very clear-cut, but if earnings continue to expand as they have in the past year and a half, it should not be long before some distribution is made to shareholders.

Dominion Gas Bonds

I have been thinking of buying 6½% bonds of Dominion Gas & Electric Co. as a depreciated bond with possibilities for capital appreciation. Can you outline the actual position of these bonds?

Dominion Gas & Electric Co. 6½% bonds represent a charge on junior securities of operating utility companies. These operating subsidiaries themselves have first mortgage bonds or other securities ranking ahead of the junior securities held by Dominion Gas & Electric Co. which is itself a holding company controlled by International Utilities Corp. Earnings have shown a comfortable margin over the interest requirements on Dominion Gas & Electric 6½% bonds. The company's properties, however, are largely in the provinces of Alberta and Saskatchewan with substantial interests in British Columbia. Undoubtedly this large dependence on Alberta and Saskatchewan business is a factor contributing to the present price of around 80 to 85 for the bonds and the correspondingly high yield.

Foundation Co.

I am considering some stocks with a view to purchasing in anticipation of advance in market value over the next year or two. Among the stocks I have listed is Foundation Co. of Canada and I would be glad to have your views on this security.

Foundation Co. of Canada is one of the principal construction companies operating in Canada. Its record has been a favorable one. Financially it holds a satisfactory position. Earnings have been somewhat depressed owing to the lack of new building. However at the present time there are several large contracts on its books and the report for the current year is expected to show an improvement. The outlook is now more encouraging and continued expansion in earnings is anticipated over the next year or two. The capital is 84,600 common shares, and earnings were 58 cents a share in the year ended April 30, 1937. No dividends are being paid.

National Steel Car Betters Current Position

From Our Own Correspondent

MONTREAL.—National Steel Car Corp.'s balance sheet position has undergone an improvement since the close of the last fiscal year, bank loans having been wiped out and replaced by a sizeable cash balance.

At present the company's Hamilton plant is on what practically amounts to a capacity basis, production totalling about 175 cars a week. This rate may be increased shortly to around 190 cars a week.

In connection with the company's supply of raw materials, it is reported that whereas earlier this year there were some interruptions due to shortages, the situation in this respect, particularly in steel supplies, is now more satisfactory.

Bid for Stock Of Frost Steel

Acceptance of Offer Would Produce $126.75 for First Preferred

If holders of class A preference and common shares of Frost Steel & Wire Co. accept an offer that has been made for their stock, it would result in redemption of the 7% first preferred shares at 107½ plus dividend arrears of $19.25 a share. Total would be $126.75 for each first preference share.

The offer for the class A preference and for common has been made to directors by the Royal Trust Co. and provides for purchase of all class A at $110 a share and the common at $12 a share.

The offer is conditional on acceptance by holders of at least 4,500 of the 5,000 class A shares outstanding and by at least 27,000 of the outstanding 30,000 common, not later than Oct. 30. It becomes void if smaller proportions of stock accept unless the Royal Trust elects within two days to accept the smaller block of shares.

If the offer becomes effective, it is stated that all 7% first preference shares will be redeemed.

The company's outstanding capital last year amounted to 3,410 7% first preferred of $100 each, 5,000 class A preferred of $100 each and 30,000 common shares of no par value.

The terms of the offer would provide a total of slightly over $2 millions for the entire enterprise. At Oct. 31, 1936, total assets were $2,098,426, including goodwill at $836,400.

Crown-Dominion Loss Is Reduced

Sales Volume Growing But Joy Oil Co. Competition Feared

An increase in both volume and value of sales is reported by Crown-Dominion Oil Co. in the year ended Dec. 31, 1936, as compared with 1935. As a result of the better operating results, the net loss for the year was reduced to $4,097 compared with $9,181. This makes the third successive year of unprofitable operations.

The directors announce that an aggressive sales policy is to be maintained to obtain a full share of the increased demand noted in Ontario for petroleum products. H. K. Wood, president, states that sales volume has been considerably in advance of a year ago since the beginning of 1937. Only disturbing influence noted by the president is the entrance of Joy Oil Co. which is establishing a chain of retail stations in Toronto, where Crown-Dominion makes over one- third of its sales.

Operating Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales	773,102	724,619
Less: Cost of sales	522,246	499,334
Expenses	254,953	234,466
Net loss	4,097	9,181

Working Capital

	1936	1935
	$	$
Current assets	107,600	97,434
Current liabilities	84,897	87,885
Working capital	22,703	9,549
Ratio	1.26—1	1.10—1

Humberstone Shoe Sales Improve in Current Year

Efforts of Humberstone Shoe Co. to distribute its business over a wider area have made it necessary to reduce deliveries to two large customers on which, it is believed, it has been too dependent, H. H. Knoll, president and managing director, told shareholders at the annual meeting.

Previously about 80% of the company's total business came from two large contracts under which deliveries of between 500,000 and 600,000 pairs of shoes a year were required. The company has now built a substantial business from smaller orders, thus giving valuable diversification, and these two large accounts have been reduced to about 50% of total production for the year.

Sales so far in the current year have shown improvement over the corresponding period a year ago and business conditions are stated by the president to be favorable.

Stedman Bros. Declares Preferred Dividend

Initial dividend has been declared on the new 6% preferred stock of Stedman Bros. Ltd. This payment which is for 25 cents a share and covers only one month instead of a full quarter, will be paid Oct. 1, 1937, to shareholders of record Sept. 25.

A dividend of 15 cents a share has also been declared on the common payable on the same date. On June 30, 1937, a dividend of 25 cents a share, plus an extra of five cents a share, was paid on the common covering the first six months of the year.

Goulds Pumps Reducing Arrears on Preferred

A dividend of $2 a share has been declared on the 7% preferred stock of Goulds Pumps Inc., payable Oct. 15, to shareholders of record Oct. 1.

Arrears will stand at $34.25 a share after the payment. The company has been paying $2 a share quarterly thus reducing the arrears by 25 cents a share quarterly.

Public Utility Earnings

B. C. Power Corp.

August—	1937	1936
	$	$
Gross income	1,219,301	1,223,661
Expenses	882,193	868,116
Int., sub. divds., etc.	193,901	212,149
Balance A stock	143,207	143,396
2 Months Ended August—	1937	1936
	$	$
Gross income	2,450,926	2,433,495
Expenses	1,767,183	1,727,276
Int. sub. divds., etc.	387,802	423,294
Balance A stock	295,941	282,925

Jamaica Public Service

August—	1937	1936
	$	$
Gross earnings	72,417	72,484
Net earnings	30,189	28,259
Surplus after charges	21,307	19,686
12 Months Ending Aug. 31—	1937	1936
	$	$
Gross earnings	889,070	876,200
Net earnings	363,170	349,501
Surplus after charges	260,796	245,548

Metro Stores Sales Recover

Sharp Expansion in Dollar Revenue and Net in Past Three Years

From Our Own Correspondent

MONTREAL. — Metropolitan Stores Ltd. net sales for the year ended Jan. 31, 1937, totalled $7.6 millions. This contrasts with less than $7.4 millions in the previous year and with $6.7 millions in the 1935 fiscal year.

Net income of the company shows even more impressive growth, advancing from $375,652 in 1935 to $561,970 in 1936 and to $651,930 in 1937.

The company's store properties are rented from the wholly-owned subsidiaries, Metropolitan Corp. of Canada and Metropolitan Chain Properties. The latter two companies have outstanding bond issues, interest charges on which are a fixed charge of the parent operating company as they are a rental.

Sinking fund payments were postponed on the subsidiary companies' bonds for a five-year period from October, 1933, which normally would have ended on October 31, 1938. Last fall it was announced that the company was voluntarily resuming payments which will be reflected in this year's balance sheet. These payments are being resumed two years prior to end of the waiver period granted by the bondholders.

The following table, based on official figures, shows the net sales and earnings of Metropolitan Stores Ltd. in their relation to the interest charges on the subsidiaries' bonds.

Period Ended January 31

	1937	1936
	$	$
Net sales	7,631,281	7,358,132
Gross trading income	715,019	630,254
Depreciation	232,422	233,821
Net trading income	482,597	396,433
Other income	179,333	165,537
Avail. for int.	661,930	561,970
Int. on sub. bonds	247,950	247,950
Balance	401,572	314,020

Gatineau Power Co. New Stock Is Listed

MONTREAL. — Gatineau Power Co.'s new capital stock has been called for trading on the Montreal Stock Exchange. The listing covers 121,960 authorized 5% cumulative preferred shares of the par value of $100 each and also 1,682,940 no par value common shares.

No '37 Dividend By United Grain

Drought Conditions Cut Handlings of Grain for Elevators

United Grain Growers Ltd. will not pay a dividend on its common shares this year because of drought conditions in western Canada and the consequent small handlings of grain through its elevators.

Although earnings were only three cents a share in the year ended July 31, 1936, a dividend of 75 cents a share was paid. Dividends were paid through the depression years. The annual payment is ordinarily made on Sept. 1.

The report for the year ended July 31, 1937, is due to appear around Nov. 1, and it is expected that there will be some reduction in the coverage for bond interest from the 1936 figures. Last year's statement showed the interest covered 3.5 times before depreciation and 1.06 times after that charge against income.

Zimmerknit Co. Meets To Consider Liquidation

A special general meeting of shareholders of Zimmerknit Co. Ltd., will be held on Oct. 6, to consider a resolution that the company be wound up and a liquidator appointed.

The company's main asset consists of shares of York Knitting Mills, Ltd., and these will be distributed among shareholders of Zimmerknit Co., except York Knitting Mills, on the basis of one share of York Knitting Mills for each common share of Zimmerknit Co.

On June 23, 1937, shareholders of Zimmerknit Co. approved a consolidation with York Knitting Mills and the final step in carrying out this merger will take place at the meeting.

B. C. Power Share Profit Records Further Advance

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp.'s earnings on the class A stock during August totalled 14.3 cents a share, or practically the same as the same month a year ago.

For the first two months of the fiscal year ended August, balance of earnings available on the A stock totalled 29.6 cents a share, compared with 28.3 cents a share for the same period a year ago.

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Insurance

See Life Sales Firm Despite Stock Slump

Insurance Men Unworried by Downward Trend in Market — Believe Upswing of Past Year Will be Continued

Doubt that the current stock market break and receding business figures will have a serious effect on insurance sales for the year was expressed by various insurance men.

Most report that the increasing volume of the past year has been well maintained and believe that the upswing will continue. Several however admit that stock market weakness has slowed sales and fear that unless there is an early turn, the year's record may not be so favorable.

Slowness of insurance to be affected either by stock market or business indices is indicated in the record of the past 10 years. From 1926 to 1929, life insurance sales advanced very gradually from $800 millions to around $975 millions. In 1930, the decline was far more gradual than in other lines of business. Since the low point in 1933, there has been a slow but definite advance. The gain of 1936 over the preceding year was between 2 and 3%.

Effect Limited

J. H. Lithgow, general manager, Manufacturers' Life, believes stock market fluctuations will have a very limited effect. Only a relatively small number of people are insurance and stock buyers, he points out, and declares that by year end, he believes insurance business volume will be up 5 to 10% over last year.

V. R. Smith, general manager, Confederation Life, remarked, "We're competing for the 'savings dollar" so that what happens to the speculative dollar is of less importance. Unless there is general shaking of confidence in the business situation, he doesn't think that insurance will be affected. In spite of loss of the Mexican field, he expects that insurance business this year for his company will again show a gain.

Favorable Reaction

Fay Davis, superintendent of agencies, National Life, noted that after the last stock market upset "insurance had a very favorable reaction and probably we shall have the same again." Continued market weakness might show a decline for the year, but so far as he was concerned the upswing was continuing

James Armstrong, director of city agencies, Dominion of Canada General Insurance Co. and president of Toronto Life Insurance Underwriters Association, knows of a few isolated instances in which stock market investors who have lost heavily are turning to insurance. "They take the attitude that they've had a lesson and they want to make sure that they won't take a trimming again. But these are only isolated cases. In general, a stock market recession weakens business confidence and therefore reduces insurance, logic or no logic."

Sinclair McEvenue, general superintendent, Canada Life, believes that the insurance gains of the last year will be continued. "Many people who were forced to drop insurance during the depression are still buying and these, I think, will not be much affected by the stock market. Of course, anything that affects the mass of the people and business in general is bad for insurance, but unless this recession is anything more than temporary, I don't think the year's business will be affected."

Prospects Holding Back

What does the field force say? Here are a few representative opinions:

A leading member of the field force of one of the largest companies believes that the insurance business enters the fourth quarter of the year under a real handicap unless the stock market makes a definite about-face. "The slump is undoubtedly holding many people back from signing new policies, but in most cases I imagine it's just a postponement."

G. L. Francis, salesman, Great West Life, admitted meeting considerably more "sales resistance" since the stock market turn and feared that the upward trend would be definitely slowed, but he has so far failed to note any increase in loans on insurance and sees that repayments are continuing satisfactorily.

New Licenses

Additional classes of insurance which the Federal Government has licensed the following companies to handle are:

Maryland Casualty Co. — Direct loss or damage caused solely by accidental discharge, leakage or overflow of water or steam.

Tokio Marine and Fire Insurance Co. Ltd.—Damage to property of any kind.

British American Assurance Co. — Fire, accident, automobile, burglary, explosion, guarantee, limited hail, inland transportation, lightning, insurance against intentional or other damage to, or loss of, property of any kind, real or personal, plate glass, sickness, sprinkler leakage, tornado, falling aircraft, earthquake and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

The Western Assurance Co.—Fire, accident, automobile, burglary, explosion, guarantee, limited hail, inland transportation, lightning, insurance against intentional or other damage to, or loss of, property of any kind, real or personal, plate glass, sickness, sprinkler leakage, steam boiler, tornado, falling aircraft, earthquake and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the company.

Canada Security Assurance Co. — Insurance against damage to property of any kind.

Health Insurance Control Opposed

Hospital Body Fears State Interference With Voluntary Institutions

Careful study of the whole field of health insurance by hospital associations and hospital workers was urged in a resolution recently adopted by the biennial convention of the Canadian Hospital Council, but opposition to state control of any scheme was indicated.

Admitting there was now in Canada a definite trend toward a Government control and socialization of health services or health insurance, the resolution urged in part:

"That the possibility of various forms of voluntary insurance meeting the needs of the people without recourse to state control should be fully studied.

"That any form of health insurance which would interfere with the autonomy of our voluntary institutions, except for necessary supervision of expenditure of trust and public funds, or which would interfere with the future development of scientific objectives or which would destroy the spirit of freedom and charity or which would place hospitals under political control should be strongly opposed."

Various speakers stressed that any insurance scheme should centre around existing voluntary hospitals and that these should bear the same relationship to medical practice as schools do to the educational system.

Insurance Inklings

Appointment of G. F. French, C.L.U., as manager of the new central Ontario branch, is announced by G. C. Cumming, general manager of Monarch Life Assurance Co.

JOINS CANADA LIFE

Scott Fyfe, formerly Insurance Editor of the Financial Post, is now associated with the Canada Life Assurance Company. Mr. Fyfe will supervise the company's advertising programme, publications, policyholders' service, field service and public relations.

Insurance Sales Group To Meet in Toronto

Distinguished insurance producers and executives will be among the speakers who will address the Ontario Sales and Educational convention sponsored by the Life Underwriters Association of Toronto to be held at the Royal York Hotel, October 29.

Thomas Bradshaw, president of North American Life, will be the main Toronto speaker on a programme which features C. Preston Dawson, production manager of Beers Agency, New York, Fay Davies, National Life superintendent of agencies, J. E. Kavanagh, vice-president Metropolitan, New York, Sheldon Muter, Metropolitan Life, Bery Jaqua, association manager Diamond Life Bulletins, Cincinnati and L. Y. Lynch, John Hancock Mutual.

Local men leading the producers' clinic are Thomas Dickinson, Mutual Life, Kenneth Brown, Canada Life, Hamilton, L. M. Montgomery, Sun Life, Toronto, and John Nettlefield, Great West Life, Toronto.

Firm Power at New Peak

Output of Central Electric Stations Continues to Gain

From Our Own Correspondent

MONTREAL.—Output of central electric stations in Canada continues to increase, especially in Ontario. Consumption of firm power in August, including line losses, was the largest monthly consumption on record, totalling 1,543 million kw.h., compared with 1,510 million kw.h. in July.

Firm power in Ontario during August totalled 671 million kw.h., an increase of 17.9% over the same month of last year, and in Quebec amounted to 510 million kw.h., an increase of 6.5%. In the Maritime Provinces, the increase was 14.4 million kw.h., or 22.3%; in the Prairie Provinces, 5.7 million kw.h., or 4.7%; and in British Columbia, 3.5 million kw.h., or 2.4%.

Total Output Gains

Total output of central electric stations in August amounted to 2,197 million kw.h. This compares with 2,188 million kw.h. in July and 2,020 million kw.h. in August last year.

Since this was less than the usual seasonal rise the index of total output dropped from 233.67 for July to 231.12. The drop, however, was in secondary power, deliveries to boilers from 513 million kw.h. in July to 491 million kw.h. in August. Exports to the United States fell from 164 million kw.h. in July to 162.6 million kw.h. in August.

Total output for the first eight months was 18,141 millions kw.h., compared with 16,483 kw.h. in the same period of 1936.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par ..	Sept. 20 1937	Sept. 21 1937	Sept. 22 1937	Sept. 23 1937	Sept. 24 1937	Sept. 25 1937	Sept. 25 1936
U. S. dollar, High ..	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32	......
Low ..	1.00 1/32	1.00	1.00	1.00	1.00	1.00	......
1936, High ..	.99 15/16	.99 31/32	.99 29/32	.99 7/8	.99 29/32	1.00	......
Low ..	.99 31/32	.99 29/32	.99 5/8	.99 31/32	.99 31/32	.99 7/8	......
U. K. pound	4.95 3/4	4.95 3/4	4.95 1/4	4.94 7/8	4.95 1/8	4.95 1/16	5.02
Australia	3.97	3.97	3.96 1/2	3.96 1/4	3.96 1/2	3.96 3/8	4.00
Austria	.1899	.1889	.1889	.1889	.1889	.1889	.1890
Belgium	.1683 1/4	.1684 1/4	.1683 3/4	.1683 1/2	.1683	.1683	.1688 1/2
Brazil	.0645	.0645	.0640	.0645	.0645	.0645	.0595
Czechoslovakia	.0349 7/8	.0349 7/8	.0350	.0350	.0350	.0350	.0413 3/4
Denmark	.2213	.2212 1/2	.2212	.2211	.2211 1/2	.2212	.2241
France	.0338	.0342 1/2	.0341 7/8	.0342 1/4	.0342 1/8	.0343 1/8	.0658 3/4
Germany	.4013	.4013	.4013	.4013	.4013	.4013	.4019
Greece	.0091	.0091	.0091	.0091	.0091	.0091	.0094 3/8
Holland	.5521	.5521 1/2	.5524	.5522	.5530	.5529 1/2	.6749
Hungary	.1977	.1977	.1977	.1979	.1977 1/2	.1977 1/2	.1980
India	.3748	.3748	.3748	.3743	.3739	.3745	.3824
Italy	.0526 1/4	.0526 1/4	.0526 1/4	.0526 1/4	.0526 1/4	.0526 1/4	.0793
Japan	.2892	.2892	.2892	.2888	.2886	.2890	.2957
Jugoslavia	.0233 1/2	.0233 1/2	.0233	.0233 1/2	.0233 1/2	.0233 1/2	.0229 3/4
New Zealand	4.00	4.00	3.99 1/2	3.99 1/4	3.99 1/2	3.99 3/8	4.03
Norway	.2491	.2491 1/2	.2489	.2488	.2488 1/2	.2489 1/2	.2522
Poland	.1892	.1892	.1892	.1892	.1892	.....	.1888
South Africa	4.94 3/4	4.96 3/4	4.94 1/4	4.93 7/8	4.94 1/8	4.94 1/4	4.99 1/4
Sweden	.2556	.2556 1/2	.2554	.2552 1/2	.2553 1/2	.2554	.2588
Switzerland	.2297	.2297 1/4	.2297 1/4	.2297	.2296 3/4	.2297	.3253
Hong Kong	.3103	.3103	.3103	.3100	.3100	.3102	.3142

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Banking

Canadian Bank Debits Show 4½ Per Cent Gain

Four of Five Economic Areas Record Increases for August — Decline of 5 Per Cent in Prairie Provinces

Bank debits showed a gain of 4½% in August over the preceding month, according to the monthly statement of the Dominion Bureau of Statistics.

Four of the five economic areas recorded gains, the exception being the Prairie Provinces where the decline was 5.4%. Increase in Montreal was 4% after seasonal adjustment, Quebec was up 3.9%, British Columbia 4% and Ontario 6½%.

Cheques cashed in branch banks in August totalled $2,613 millions against $2,619 millions in the same month last year. The recession in per cent is 0.2. The Maritimes showed the sharpest gains reaching 20.9%.

Ratio of bank debits to deposits was 112.5% corresponding to 120.5% the same month last year.

Provinces and Clearing House Centres	Debits to Individual Accounts Aug., 1937 $	July, 1937 $	Aug., 1936 $
Maritime Provinces—			
Halifax	30,789,182	32,028,070	24,706,004
Moncton	9,288,554	9,600,001	7,867,058
Saint John	17,860,710	18,421,720	15,355,310
Total—Maritime Provinces	57,938,446	60,049,791	47,928,372
Quebec—			
Montreal	793,546,488	832,953,244	732,766,068
Quebec	76,248,726	78,092,485	50,482,415
Sherbrooke	6,676,454	7,241,052	5,689,062
Total—Quebec	876,471,668	918,286,781	788,937,545
Ontario—			
Brantford	8,917,533	10,415,009	8,661,508
Chatham	8,384,803	8,736,000	7,647,222
Fort William	5,852,487	5,767,133	5,346,835
Hamilton	57,793,023	61,647,716	46,225,612
Kingston	6,186,202	7,189,726	5,013,801
Kitchener	10,730,706	11,645,771	9,682,856
London	29,389,505	34,361,379	34,022,353
Ottawa	80,341,986	128,471,311	100,011,244
Peterborough	5,551,394	6,063,717	5,383,091
Sarnia	5,776,652	6,932,702	5,727,859
Sudbury	8,880,601	7,221,960	6,450,850
Toronto	889,965,649	850,008,065	829,733,395
Windsor	31,989,124	39,334,939	29,828,113
Total—Ontario	1,149,759,665	1,177,795,468	1,093,734,739
Prairie Provinces—			
Brandon	2,431,528	2,632,490	2,259,841
Calgary	45,286,913	52,273,626	47,815,921
Edmonton	34,444,635	34,591,396	26,991,687
Lethbridge	4,207,296	3,826,043	3,683,878
Medicine Hat	2,172,116	2,524,510	2,285,388
Moose Jaw	5,927,013	6,922,315	6,517,672
Prince Albert	2,422,945	2,446,924	2,047,762
Regina	28,908,275	40,092,780	44,811,248
Saskatoon	9,674,843	9,688,935	9,884,378
Winnipeg	216,160,319	239,151,080	376,203,615
Total—Prairie Provinces	351,635,883	394,150,099	522,501,390
British Columbia—			
New Westminster	6,425,903	6,890,196	6,429,484
Vancouver	145,134,619	133,969,699	133,513,046
Victoria	25,491,393	29,595,745	26,107,924
Total—British Columbia	177,051,915	170,455,640	166,050,454
Grand total for Canada	2,612,857,577	2,720,737,779	2,619,152,500

Bank Chat

Banks to Rescue

In the shot and shell of the Social Credit war against Canadian banking, Calgary bankers found at least one bouquet.

In a public statement, United Milk and Cream Producers' Association announced their "sincere thanks to the banks for the valuable services rendered."

The chartered banks saved Calgary consumers from paying an extra quarter of a million dollars for milk and 40% of the Calgary district milk producers were saved from bankruptcy, the statement declared.

Serious feed shortage last fall threatened to drive out of business many of the milk producers, the statement pointed out, adding that a sharp rise in price would inevitably have followed. But answering the association's appeal, the banks stepped in, loaned $75,000, and averted the most serious milk situation in Calgary's history.

Following conferences with bankers, it was agreed that all a needy milk producer needed to get an advance from the bank was a letter of recommendation from the feed supply house with which he usually did business. Securities were asked from no one. The loan at 6% was repaid by monthly installments deducted from sale of milk.

In a few cases where these monthly payments were not kept up, the association announced "in no case has there been any difficulty making reasonable extension arrangements with the banks."

* * *

R. M. Gemmel

Canada lost an excellent banker and Ottawa a fine citizen in the death the other day of R. M. Gemmel. Until recently Mr. Gemmel had been manager of the main office of the Bank of Nova Scotia on Sparks St., Ottawa. He had held that important post for nearly 10 years, having come to the Capital in 1928 after a decade of important service at Calgary.

Born in Selkirk, Manitoba, 56 years ago, he had been in the service of the bank since 1899. Since that time he has served with distinction in nearly every part of Canada.

In 1933 he purchased an old estate in the Ottawa Valley district—the McLachlin property at Arnprior, located on the site of Kennel Lodge—home of the famous "Laird of McNab" who, in the 1820's, received a grant of 81,000 acres of unnamed territory in Fitzroy Township.

Bank of Canada Weekly Statement

Increase of a little over $2 millions in holdings of short term Dominion Government bonds is reported in the weekly statement of the Bank of Canada. Holdings of U. S. and sterling currency have also increased by about $2 millions. As usual at this wheat moving season, note circulation is increasing.

Balance Sheet

	Sept. 22 1937 $	Sept. 15 1937 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	159,347,922	155,830,816
Rest fund	743,716	743,716
Depos.: Dominion ..	29,793,391	29,901,434
Banks	182,163,077	181,735,344
Other	1,469,627	1,158,546
Total deposits	213,426,095	212,795,324
All other liabs.	2,359,375	3,000,003
Total liabs.	385,977,108	382,469,859
Assets		
Reserve: Gold	179,473,814	179,443,021
Silver bullion	2,573,435	2,573,436
Res. in sterling and U. S.	32,305,312	30,580,679
Other curr.	804	804
Total reserve	214,353,365	212,597,940
Subsidiary coin	136,428	131,705
Investments:		
Dom. govt. short .	60,176,270	58,040,002
Other Dom. govt. .	97,357,717	97,173,631
Other secs.	10,994,420	10,990,420
Total invest.	168,528,407	166,204,053
Premises	778,790	726,763
All other assets	2,180,118	2,809,398
Total assets	385,977,108	382,469,859
Reserve ratio	57.50%	57.67%

Staff Changes

The Bank of Montreal announces the following staff changes:

Clark, L., formerly of superintendent's department, Toronto, to be manager at Parliament St., Toronto.

Doty, A. M., formerly of superintendent's department, Toronto, to be manager at Mount Forest, Ont.

Hurst, W. L., formerly manager at Lake Lenore, Sask., to be manager at Kamsack, Sask.

Galbraith, J. W., formerly manager at Kamsack, Sask., to be manager at Weyburn, Sask.

MacArthur, J., formerly manager at Weyburn, Sask., to be manager at Prince Albert, Sask.

Bank of Nova Scotia announces appointment of:

H. F. CUNNINGHAM, manager at Galt, Ont.

F. W. NICKS, accountant at Halifax, N.S.

Bank Broadcasts Endorsed in U.S.

The present radio campaign of the Canadian Bankers Association in Alberta, which may be extended to other provinces, is a development which is long overdue according to a speaker at the recent convention of the Financial Advertisers Association, held in Syracuse.

"Instead of wasting time scoffing at the politicians it would be far better to devote our effort to making our business popular with the public, the only boss the politician knows," T. H. Kiphart declared. "It is easy to get misconceived ideas into the public mind. It is difficult and expensive to get them out."

Weekly Bank Clearings

	Sept. 23 1937 $	Change yr. ago %	Sept. 16 1937 $
Halifax	2,563,796	+19.3	2,616,818
Saint John ..	1,788,372	—12.6	1,812,621
Moncton	808,348	+ 4.7	768,675
Sherbrooke .	743,032	+ 8.5	792,263
Quebec	5,483,309	+53.9	6,247,359
Montreal	101,490,017	— 3.5	109,753,180
Ottawa	15,826,749	—0.09	15,372,500
Kingston ...	572,400	—10.3	573,652
Peterborough	587,267	—10.2	694,870
Toronto	106,231,957	—16.1	121,825,736
Hamilton ...	6,333,456	+33.3	5,660,334
Kitchener ...	1,335,662	+25.3	1,201,155
Brantford ...	936,070	— 5.7	937,521
London	2,520,809	— 7.1	2,905,060
Chatham	576,244	+43.1	587,590
Sarnia	535,537	+20.1	477,540
Sudbury ...	925,948	— 2.4	1,101,594
Windsor	2,785,553	+14.9	2,824,589
Fort William	835,227	— 0.8	694,532
Winnipeg ...	50,768,890	—34.0	49,541,918
Brandon	423,147	+ 6.8	395,872
Regina	3,881,255	—54.9	5,425,738
Moose Jaw..	660,753	—29.4	635,101
Saskatoon ...	1,510,517	—30.0	1,474,447
Prince Albert	471,823	+ 8.9	499,068
Edmonton ..	4,516,811	+15.6	3,879,960
Calgary	7,071,883	— 2.8	5,385,486
Medicine Hat	279,778	+ 5.8	295,512
Lethbridge ..	704,431	+35.6	607,205
N. W'minster	641,978	+ 3.3	701,060
Vancouver ..	18,251,695	— 5.9	19,280,358
Victoria	1,820,210	+ 3.2	1,795,653

Montreal Island Cuts Back Taxes

Reduction of $93,000 for August Reported by Commission

From Our Own Correspondent

MONTREAL.—The Montreal Metropolitan Commission reports a reduction of $93,000 during August in tax arrears of the 11 solvent municipalities which are under its jurisdiction.

The three bankrupt municipalities under its jurisdiction reduced arrears during the month by $10,000 so that the total amount outstanding is $103,000 less than a month ago.

Figures of arrears outstanding at the end of August and the end of July are as follows:

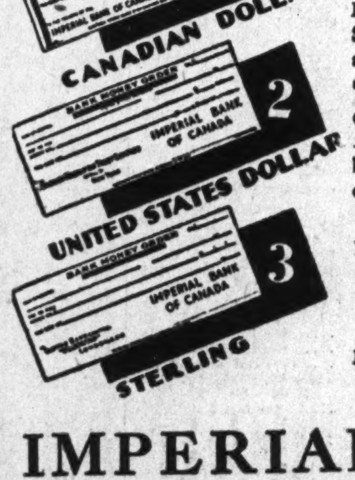
Tax Arrears

	Aug. 31 $	July 31 $
Mount Royal	30,000	32,000
Montreal East	28,000	55,000
Verdun	189,000	203,000
Hampstead	20,000	22,000
Westmount	364,000	378,000
Montreal West	43,000	45,000
Outremont	242,000	255,000
Lachine	164,000	171,000
Ville St. Pierre	29,000	31,000
La Salle	60,000	62,000
St. Laurent	81,000	89,000
Pointe Aux Trembles	45,000	51,000
Montreal North	52,000	55,000
St. Michel	19,000	20,000

Gatineau Enlarges Board

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by the Gatineau Power Co., increasing the number of directors from five to ten.



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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 27

Range 1937 High	Low	Div R'te $	Sept25 Y'ld %		Sales	Last Sept. 20	Week end. Sept. 27 H	L	Cl'se
				A					
15½	3½	.	...	Abitibi	13145	4½	4½	3½	4½
80	33	.	...	Do. pref. 6%	7065	38	40½	33	36
97	60	.	...	Do. pref. 7%	....	(— bid 78 asked)			
79½	38	.	...	Do. cert. dep.	1	43	38	38	38
6½	2½	10c	...	Acadia Sugar	35	3	3	2½	2½
18½	9	50c	5.5	Acme Glove	....	(— bid 9 asked)			
94	75	6.50	7.9	Do. pref.	10	80	82	82	82
12	8½	60+30c	.	Agnew Surp.	55	11	11	10½	10½
110	103¾	7	6.7	Do. pref.	10	107	103¾	103¾	103¾
7	2	.	...	Alta. Pac. Gr.	175	2	2½	2	2
43½	9	.	...	Do. pref.	340	10	10½	9	10
135	75	.	...	Aluminum	25	91	75	75	75
130	130	6+7.75▲	.	Do. pref.	....	(78 bid 83½ asked)			
7	4	.	...	Amal. Electric	....	(— bid 5 asked)			
31	25	.	...	Do. pref.	40	29	25	25	25
35¾	29¾	60c	...	Amer. Cyn. B.	....	(— bid 43 asked)			
92	50½	.	...	Asbestos	7128	62	63	50½	57
16	11	80c	6.2	Assoc. Brew.	510	13½	13¾	13	13¾
111	106	7	6.4	Do. pref.	25	111	110½	110	110
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
57	37¾	1.28	...	Do. pref.	....	(— bid 46 asked)			
102½	100	5.50	5.5	Ault & Wiborg	35	100½	101	100	100
				B					
60	57	2.25	3.9	Bank of Canada	106	59	59	58	58
161½	143	8	5	Bk. Can. Nat.	17	160	160	159	159
245	200	8	3.9	Bk. Montreal	348	205	205	200	200
340	305	12	3.7	Bk. N. Scotia	75	328	332	320	320
273	235	10	4.2	Bk. Toronto	116	247	245	235	240
8	6	.	...	Barcelona	....	(4½ bid 7½ asked)			
15	8½	96c	10.6	Barker's Bread	200	11½	9	8½	8½
48	36	2.50	6.9	Do. pref.	25	44	36	36	36
24¾	12¾	.	...	Bathurst Pr.	8920	14	15½	12¾	14¾
12½	5½	.	...	Do. (B)	774	6½	7	5½	5½
5¾	1½	.	...	Bawlf Grain	355	1½	1½	1½	1½
38	16	.	...	Do. pref.	....	(12 bid — asked)			
10	1¾	.	...	Beath & Sons	150	4	2	1¾	2
21½	14	.	...	Beatty Bros. A	45	15½	16	15	15½
112	99	6	6.1	Do. pref.	....	(102½ bid 106 asked)			
105	95	7	7.4	Do. 2nd pref.	4	100	95	95	95
10	4¾	.	...	Beauharnois	3736	5¾	6	4¾	5¾
107	100	4	3.8	Belding Cort.	....	(— bid 107 asked)			
130	123½	7	5.6	Do. pref.	10	123½	125	125	125
178	154	8	4.8	Bell Telephone	863	166	170	163	164½
16¾	9	25c	...	Biltmore Hats	190	10	10	9	10
110	108½	7	6.4	Do. pref.	....	(— bid 120 asked)			
13	8½	.	...	Bissell, T. E.	....	(7 bid 15 asked)			
70	45	.	...	Do. pref.	65	50	50	45	50
6½	4	.	...	Blue Ribbon	10	4½	4	4	4
40	24	2	5.7	Do. pref.	65	38	35	35	35
29¾	24¾	1.30	5.2	Brant. Cord. pf.	....	(— bid 25½ asked)			
30½	18½	90c	..	Brazilian Tr.	57404	20¾	22¾	20½	22½
9½	6	2.40■	..	Brew. & Distil.	315	7	7	7	7
6½	6	30c	...	Bright, T. G.	....	(— bid 6½ asked)			
†82	75½	6	...	Do. pref.	....	(71 bid — asked)			
28½	19¾	1+20c	6	Brit. Amer. Oil	9163	20¾	21½	19¾	20½
22	11	.	...	B. C. Packers	1030	12	12	11	11
39½	33	2	6.1	B. C. Power A	565	34	34½	33	33
11½	5½	.	...	Do. (B)	160	7	6¾	5½	6½
12	5	.	...	Bruck S. Mills	1050	5½	5½	5	5½
74½	52	2+75c	..	Building Prod.	100	55	55	52	52
19	14½	35c	...	Burlington Steel	840	15½	15¾	14½	14½
8	3½	.	...	Burry Biscuit	....	(3 bid 3¾ asked)			
60	35	3	8.6	Do. pref.	....	(36 bid 60 asked)			
44½	36	2	5.5	Burt, F. N.	90	37½	37	36	38
				C					
[illegible]	100	.	...	Calgary Power	....	(— bid 100 asked)			
92	79	6	7.4	Do. pref.	....	(81 Sept. 14)			
[illegible]	4½	.	...	Canada Bread	145	5	5	4½	5
[illegible]	99½	5	5	Do. pref.	....	(— bid 100 asked)			
[illegible]	47	2.50+25c	..	Do. pref. B	15	48	47	47	47
[illegible]	7	40c	...	Canada Bud	580	8½	8½	7½	7½
[illegible]	10	.	...	Canada Cement	4819	10½	11½	10	10½
[illegible]	100	3.25	...	Do. pref.	1057	103½	103	100	100
[illegible]	60	1.50+2	5	C. & D. Sugar	10	76	70	70	70
[illegible]	14½	.	...	Canada Dry	54600	17½	18½	14½	15¾
[illegible]	13	.	...	Can. Forg. (A)	55	14	14½	13½	13½
[illegible]	14	.	...	Do. (B)	....	(12 bid 15 asked)			
[illegible]	30	.	...	Can. Iron	....	(33 bid — asked)			
[illegible]	66½	5	7.2	Do. pref.	15	70	70	70	70
[illegible]	33	1.50+50c	6	Can. Malting	971	35½	35¾	33	33
[illegible]	20	1.20	6	Can. Nor. Pr.	285	21	21	20	21
[illegible]	100	7	7	Do. pref.	41	111	112	109	109
[illegible]	75	3	3.9	Can. Packers	35	79½	80	75	78
[illegible]	1¾	.	...	Can. Paving, pf.	....	(1¾ bid 6 asked)			
[illegible]	142	8	5.5	Can. Perman.	10	145	145	142	145
[illegible]	6½	.	...	Can. Starch	165	25	6½	6½	6½
105	105	7	6.7	Do. pref.	....	(105 bid — asked)			
7	2	.	...	Can. Steamsh's	2241	4½	4¾	3½	4
18½	9	.	...	Do. pref.	3506	13	14½	11¾	12¾
21	17	1.20	6.3	Can. Vinegars	140	18½	20	18½	18½
79	50	.	...	Can. W. Cable	....	(— bid 67 asked)			
34	19	.	...	Do. (B)	35	31½	29	28	28
118	114	6▲	...	Do. pref.	....	(116 Apr. 13)			
6½	4	.	...	Can. Bakeries	....	(3 bid — asked)			
73	49	.	...	Do. pref.	....	(— bid 49 asked)			
211	165	8	4.8	Can. Bk. Com.	420	179	177	165	165½
4	1¾	.	...	Can. Breweries	1610	2	2½	1¾	1¾
23½	14½	2	11.8	Do. pref.	425	18	18½	16½	17
61½	35	1.50+75c.		Can. Bronze	705	37	37	35	35
110	104	5	4.6	Do. pref.	....	(101½ bid — asked)			
9½	6½	.	...	Can. Canners	445	6½	6½	6½	6½
20½	18	1	5.3	Do. 1st pfd.	265	19	19	18¾	19
12½	9	60c	6.2	Do. 2nd pfd.	605	10	10	9	9
21¾	10	.	...	Can. Car & Fd'y	6867	11¾	12	10	10½
32	20	.	...	Do. pref.	1671	22½	23½	20	21
31	20	1.60	8	Can. Celanese	1260	22	22	20	20¾
[illegible]	110	7	6.2	Do. pref.	45	116	115½	110	112
[illegible]	21		...	Do. rights	20	21	21	21	21
[illegible]	10	.	...	Can. Convert	50	11	10	10	10
[illegible]	65½	4	4.5	Can. Cottons	33	90	89	89	89
[illegible]	105	6	5.5	Do. pref.	....	(106½ bid — asked)			
[illegible]	36¾	2+1	7.7	Can. Dredge	1105	38	39½	36¾	37
[illegible]	101	6	5.8	Can. Fairb., pf.	....	(100 bid — asked)			
[illegible]	18	1.60+40c.		Can. For. Inv.	235	21	20	18	20
[illegible]	[illegible]	8	7.6	Do pref.	....	(103 bid 105 asked)			
[illegible]	[illegible]	6	3	Can. Gen. Elec.	....	(— bid 209 asked)			
[illegible]	8¾	50c	...	Can. G. Inv.	35	9¾	9¾	8¾	9½
[illegible]	71	.	...	Can. Hyd. E. p.	590	80	83½	82	83
[illegible]	4¾	.	...	Can. Ind. Alco.	19620	5¾	5¾	5½	5½
[illegible]	4	.	...	Do. (B)	2650	4½	4½	4½	4½
[illegible]	230	6.75	...	Can. Indust. B.	....	(220 bid 225 asked)			
[illegible]	153	7	...	Do. pref.	....	(150 bid 155 asked)			
[illegible]	1¾	.	...	Can. Int. I. Tr.	90	2	2	2	2
[illegible]	93	3.75	...	Do. pref.	....	(— bid 80 asked)			
[illegible]	15½	1	6.2	Can. Lt. & Pr.	5	16	16	16	16
[illegible]	9	.	...	Can. Locomo.	5	9	10	10	10
[illegible]	1¾	.	...	Can. Marconi	10160	1¾	1¾	1½	1½
[illegible]	10	50c	3.8	Can. Oil	25	14½	13	13	13
[illegible]	115	8	6.9	Do. pref.	....	(— bid 116 asked)			
[illegible]	9	.	...	Can. Pacific	19594	9½	10½	9	9¾
[illegible]	1	.	...	C. Pr. & Pa. In.	51	2¾	1¾	1	1½
[illegible]	15	.	...	Do. pref.	....	(— bid 18 asked)			
[illegible]	4½	.	...	Can. Vickers	615	6	6	4½	5
[illegible]	19	.	...	Do. pref.	180	20	22	19	20
[illegible]	24	1	...	C. Wallpaper A	10	25	24	24	24
[illegible]	24	1	...	Do. (B)	....	(— bid 25 asked)			
[illegible]	62	2	3.2	Can. West'ho'se	....	(62 Aug. 4)			
[illegible]	1¾	.	...	Can. Wineries	25	2	1¾	1¾	1¾
[illegible]	22	2.12½	...	Can. Wire Box.	270	22½	22½	22½	22½
[illegible]	3.00	.	...	Capital Estates	470	3.00	3.50	3.00	3.50
[illegible]	100	5	4.9	Carnation, pfd.	35	102	103	102	102
[illegible]	4	25c	...	Catelli Food	....	(4 bid 7¾ asked)			
[illegible]	10	33c	...	Do. pref.	....	(5½ bid 10 asked)			
[illegible]	1.25	.	...	Celtic Knit.	....	(1.25 bid — asked)			
[illegible]	175	8	4.6	Cent. Can. L'n.	....	160½ bid 195 asked			
[illegible]	.50	.	...	Chem. Research	900	.50	.53	.50	.50
[illegible]	.65	.	...	City Gas & El.	100	.70	1.00	1.00	1.00
[illegible]	.20	.	...	Claude Neon	....	(.25 bid .40 asked)			
[illegible]	[illegible]	1.08	9	Coast Brew.	735	12.25	12.50	11.75	12.50
[illegible]	9¾	.	...	Cockshutt Plow	3090	11½	11½	9¾	10
[illegible]	[illegible]	.	...	Comm. Alcohol	2125	1.75	1.90	1.30	1.75
[illegible]	3½	10c	...	Do. pref.	....	(3½ bid 4 asked)			
[illegible]	16	1+20c	..	Cons. Bakeries	762	18	17¾	16	17
[illegible]	9½	.	...	Cons. Paper	44400	11¾	12½	9½	11¾
[illegible]	12½	25c	...	Cons. Press	20	18½	18½	18½	18½
[illegible]	47		.	Cons. Sand. pf.	30	50	50	50	50
[illegible]	57	50c+$1	..	Cons. Smelters	18130	67	68½	57	64½
[illegible]	[illegible]	10	5.1	Consumers' Gas	46	198	198	195½	195½
[illegible]	89	7	7.7	Corr. P. Box, p.	....	(— bid 93½ asked)			
[illegible]	[illegible]	1	4.2	Cosmos Imp.	160	23	24	21½	22½
[illegible]	[illegible]	5	4.8	Do. pref.	....	(105 bid — asked)			
[illegible]	[illegible]	80c	4.1	Crown Cork	1005	20	20	19½	19½
[illegible]	1½	.	...	Crown Dom. Oil	125	2½	2½	2½	2½
[illegible]	[illegible]	3	...	Crow's N. Coal.	130	45	45	45	45
				D					
[illegible]	[illegible]	.	...	David & Fre. A.	15	4½	4½	4½	4½
[illegible]	[illegible]	.	...	Do. (B)	....	(⅛ bid 1 asked)			
[illegible]	[illegible]	.	...	De Havilland	80	12	10	9¾	10
[illegible]	[illegible]	.	...	Do. pref.	....	(— bid 79 asked)			
[illegible]	[illegible]	.	...	Disher Steel	....	(3½ bid 4½ asked)			
[illegible]	[illegible]	.	...	Do. pref.	....	(8 bid 13 asked)			
[illegible]	[illegible]	.	...	Distill-Seagram	5875	17½	17¾	15	16¾
[illegible]	[illegible]	5	5.7	Do. pref.	5	85	87	87	87
[illegible]	[illegible]	.	...	Dom. Ang. Inv.	....	(— bid 90 asked)			
[illegible]	[illegible]	.	...	Do. pref.	....	(90 bid — asked)			
[illegible]	[illegible]	10	4.7	Dom. Bank	23	214½	213	210	210
[illegible]	[illegible]	1.20	3.7	Dom. Bridge	6009	37	37	31	32¾
[illegible]	[illegible]	1.50	8.3	Dom. Coal, pf.	680	19	19½	18	18
[illegible]	[illegible]	.	...	Dom. Engineer.	....	(— bid 55 asked)			
[illegible]	[illegible]	25c	...	Dom. Foundries	110	35½	33	32	33
[illegible]	[illegible]	6	6	Do. pref.	....	(99 Sept. 8)			
[illegible]	[illegible]	5	4.6	Dom. Glass	60	111	111	108	108
[illegible]	[illegible]	7	5	Do. pref.	50	145	140	140	140
[illegible]	[illegible]	.	...	Dom. Oilcloth	....	(— bid 40½ asked)			
[illegible]	[illegible]	7	6.7	Dom Rubber, p.	....	(95 bid — asked)			
[illegible]	[illegible]	.	...	Dom. Scot. Inv.	20	4	3¾	3¾	3¾
[illegible]	[illegible]	2	...	Do. pref.	20	41	38½	38½	38½
[illegible]	[illegible]	.	...	Dom St. & C.B.	54951	16	17	13½	15½
[illegible]	[illegible]	.	...	Dom. Stores	375	7	7	6¾	6¾
[illegible]	[illegible]	.	...	Dom. Tar & Ch.	2485	9½	8½	6½	7½
[illegible]	[illegible]	[illegible]	6.4	Do. pref.	120	88	87	83	86
[illegible]	[illegible]	5	6.7	Dom. Textile	98	79	77	73½	74½
[illegible]	[illegible]	7	5	Do. pref.	....	(— bid 140 asked)			
[illegible]	[illegible]	.	...	Donnacona P.A.	7360	10	10¾	7½	9½
[illegible]	[illegible]	.	...	Do. (B)	2395	9	10½	7	8½
[illegible]	[illegible]	.	...	Dryden Paper	3315	10	11	9½	10½
				E					
[illegible]	[illegible]	.	...	East Koot Pr.	....	(1½ bid — asked)			
[illegible]	[illegible]	.	...	Do. pref.	55	6	7	6	7
[illegible]	[illegible]	.	...	East. Dairies	....	(1½ bid — asked)			
[illegible]	[illegible]	.	...	Do. pref.	70	6	6½	6	6
[illegible]	[illegible]		...	East Steel	55	18	18	18	18
[illegible]	[illegible]		6.5	Do. pref.	....	(106 bid 109 asked)			
[illegible]	[illegible]		10.8	East. Theat. pf.	....	(56½ bid 84 asked)			
[illegible]	[illegible]		..	Easy Washing	517	4½	4¾	4	4½
[illegible]	[illegible]		...	Economic Inv.	20	35½	30½	30½	30½
24	16	1.60+30c	...	Electrolux	310	17½	17½	16	16
8½	3	.	...	Enam. & Heat.	275	4	3	3	3
40	30	62½c	...	English Electric	....	(— bid 37 asked)			
16½	10	.	...	Do. (B)	25	12½	11	11	11
8	5	.	...	Equitable Life	....	(5½ bid 7 asked)			
10½	7¾	30c	...	European El. A.	....	(5½ bid — asked)			
.65	.65	.	...	Do. Warrants	....	(.15 bid — asked)			
				F					
13	3½	.	...	Fairchild Air	2560	6	6	3½	5
35	24	.	...	Fam. Players	....	(18 bid — asked)			
34	22	.	...	Do. Vot. Tr.	10	22	22	22	22
25½	19	75+25c	.	Fanny Farmer	3880	20	22	20	21
10½	10		...	Fleet Aircraft	....	(— bid 8 asked)			
29¾	18¾	1	5.1	Ford Motors A.	6804	21½	20½	18¾	19
2½	1	.	...	For. Pr. Secs.	100	1	1	1	1
31	12¾	.	...	Foundation Co.	1195	14½	15	12¾	14
50	21½	.	...	Fraser Cos.	1968	26	28	21½	23
50	22	.	...	Do. Vot. Tr.	22686	28½	30	22	24
52	40	.	...	Freiman, pf.	35	40	43	42¾	42¾
11	6	.	...	Frost Steel	316	8½	11	9½	11
107	100	7	6.8	Do. pref.	125	104	108	100	108
55¾	40	.	...	Do. pref. (A)	....	(60 bid — asked)			
				G					
14	8½	.	...	Gatineau	1362	9½	9½	8½	9
76	67	.	...	Do. pref.	700	71	71½	67	67
18½	8	.	...	Gen. St. Wares	5181	11	11½	9¾	11½
110	76			Do. pref.	58	89	89	84	84
97½	78	2.50+2.50		Goodyear Tire	262	85	85	78	80½
57	52¾	2.50	4.7	Do. pref.	78	53	53	52¾	52¾
26¾	13½		...	Gt. Lakes Pap.	496	18	17½	15	15½
53¾	32½	.	...	Do. pref.	1300	39½	40¾	32¾	38
5	5	.	...	Gt. W. Sadd. (N)	....	(— bid 3 asked)			
40	25	.	...	Do. pref.	5	25	25	25	25
15½	7½	20c	...	Gurd, Chas.	325	9½	10	8	8
105	95	7	6.7	Do. pref.	....	(103 bid — asked)			
18½	7	.	...	Gypsum Lime	4240	9	9½	7	8
				H					
18½	7	.	...	Ham. Bridge	1180	9½	9½	7	8
90¾	63		...	Do. pref.	10	70	75	72	72
40½	30	2.50c▲	5.9	Ham. Cot., pf.	....	(32½ bid 35½ asked)			
3¾	2		...	Ham. U. Theat.	....	(1¾ bid 2 asked)			
69	58¾	6	9.5	Do. pref.	....	(52 bid 75 asked)			
7	3¾	20c	...	Harding Carpet	2120	4	4½	3¾	3¾
5	2½	.	...	Hillcrest Coll.	....	(2½ Sept. 8)			
25	15		...	Do. pref.	....	(25 Aug. 4)			
22½	18	1	5.5	Hinde & Dauch	100	19½	19½	18	18¾
18	14	.	...	Holt Renfrew	5	16	18	18	18
76	56	.	...	Do. pref.	15	75	75	75	75
1.75	.50	.	...	Honey Dew	100	.60	.60	.55	.60
15	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
24½	16	.	...	H. Smith Pap.	3775	20	20¾	16	19½
106	99	6	6	Do. pref.	95	100	100	99	100
32¾	25	2	7	Humberstone S.	50	28½	28½	28½	28½
19	11	.	...	Hunts (A)	135	12½	14	11	11
18	12	.	...	Do. (B)	10	13½	12	12	12
95	72	4	5.3	Huron & E. Mt.	....	(76 bid 80 asked)			
15½	10	.	...	Do. 20% pd.	....	(10 bid 12 asked)			
13½	8½	.	...	Hydro Electric	....	(6½ bid — asked)			
				I					
251½	201	10	4.9	Imperial Bank	31	218	218	201	201
24¾	18	50+75c	6.7	Imperial Oil	21497	19	19½	18	18¾
15½	13¾	40+22½c		Imperial Tob.	3172	13¾	14½	13¾	13¾
7¾	7	6%		Do. pref.	140	7	7½	7½	7½
38¾	28	1.50+12½c		Indust. Accept.	760	32¾	32	28	29
39½	30	1	...	Inter-City Bak.	....	(— bid 29 asked)			
46	87½	5+2	...	Inter'c Coal	25	41	41	41	41
130	125	8	6.4	Do. pref.	....	(125 bid — asked)			
†.20	.20	.	...	Int. Coal & C.	....	(.10 bid .20 asked)			
b16½	6¾	.	...	Int. Hyd. E. A.	21800	9½	9½	6¾	7¾
18½	8½	.	...	Int. Metal Ind.	625	11	11½	8½	9½
108	85	.	...	Do. pref.	140	90	89	85	85
105	97	5	5	Int. Mill., pf.	....	(99 bid 100 asked)			
73½	49¾	2	3.7	Int. Nickel	47278	52½	55	49¾	53
11	3	.	...	Int. Paints	90	3½	3½	3	3
20	18	.	...	Do. pref.	20	18	18	18	18
b19½	14½	.	...	Int. Pap. & P.	38700	17½	19½	14½	16¾
b68½	58½	.	...	Do. pref.	35000	61	68½	58½	62
39¾	29¾	1.50+1	8	Int. Pete.	6685	31¾	32½	30½	31½
12½	4½	.	...	Int. Power	70	5	5½	5	5½
98	85	6	6.9	Do. pref.	....	(84 bid 87 asked)			
†15½	13	1.12	...	Int. St. Rly. A.	....	(— bid 15½ asked)			
21½	14	.	...	Int. Util. (A)	140	14	14	14	14
3.12	.90	.	...	Do. (B)	2705	1.10	1.10	.90	.90
				J					
38	34½	1.75	...	Jam. Pub. Ser.	....	(37 bid — asked)			
132	130	7	5.4	Do. pref.	....	(— bid 130 asked)			
				K					
39	15	1	...	Kelvinator	210	22½	16	15	15
108	106	7	6.6	Do. pref.	....	(106 bid 106½ asked)			
				L					
87	40	.	...	L. St. John Pr.	310	50	50	40	47½
27	15½	.	...	Lake Sulphite	1060	17½	19	15½	16½
42½	17	.	...	Lake of Woods	245	21	20	17	19
156	143	7	4.8	Do. pref.	....	(— bid 148 asked)			
75	55½	5	7.2	Landed Bank	....	(— bid 68 asked)			
22	15	70c	4.7	Lang, J. A.	40	15	15	15	15
6	4½	.	...	Langley's	....	(— bid 4¾ asked)			
65	47	.	...	Do. pref.	....	(35 bid 45 asked)			
77	64	3	4.7	Laura Secord	20	64	65	65	65
15	7	.	...	Lindsay, C. W.	....	(4½ bid 8 asked)			
78	66			Do. pref.	....	(— bid 72 asked)			
25¾	23	1.12½	..4.7	Loblaw (A)	1357	23¾	24	23	23½
23¾	20½	1.12½	..5.1	Do. (B)	785	21¾	21¾	21	21
				M					
1.80	1.25	.	...	Mackenzie Air.	....	(.50 bid — asked)			
9	8	.	...	MacKin. Steel	....	(5½ bid — asked)			
64	60	.	...	Do. pref.	....	(62 bid — asked)			
37½	16	.	...	Maclaren Pr. p.	2295	18	21	16	18
4	¾	.	...	M. L. Gardens	....	(2 bid 5 asked)			
5	2½	.	...	Do. pref.	....	(2½ bid 4½ asked)			
11	3	.	...	Maple Leaf	1005	4	3½	3	3
12¾	4	.	...	Do. pref.	180	4¾	5	4½	4¾
17	15½	80+10c	...	Maritime Tele.	....	(15 June 25)			
16¾	16	70c	...	Do. pref.	....	(16 June 25)			
†18	13	.	...	Marcus Loew's.	....	(— bid 20 asked)			
125	120	7▲	...	Do. pref.	....	(120 bid — asked)			
16¾	6	.	...	Massey-Harris	8935	7½	7¾	6	6¾
74	36	.	...	Do. pref.	1460	42	42½	36	42
15	8½	40c	3.2	McColl Fron.	15829	12½	12¾	12½	12½
101	86¾	6	6.5	Do. pref.	63	92½	94½	90½	92
8	1½	.	...	Melchers	110	2½	2	2	2
9½	5	30c	...	Do. pref.	287	5¾	5¾	5	5½
2	1½	.	...	Mercury Mills	....	(2 bid — asked)			
40	20	.	...	Do. pref.	10	26	24	24	24
54	49	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref	....	(111 bid — asked)			
30	9½	.	...	Mitchell, Robt.	975	14	15	9½	12
5½	4½	.	...	Monarch Knit.	....	(— bid 4¾ asked)			
86	50½	7	13.9	Do. pref.	....	(— bid 63 asked)			
50	36	2	4.2	Montreal Cot.	3	48	48	48	48
110	104	7	6.7	Do. pref.	10	105	105	105	105
2	¾	.	...	Mont. Is. Pr.	....	(— bid 2 asked)			
37½	28	1.50	5.3	Mont. L. & Pr.	6226	29½	29½	28	28½
32	28	2	6.5	Montreal Loan	20	32	30½	30½	30½
17	13	1	...	Mtl. Refrig. pf.	....	(16½ bid — asked)			
2	1¾	.	...	Do. Vot. Tr.	....	(2 bid — asked)			
65	57	3.20	5.4	Montreal Tele.	25	62	58½	58½	58½
102	80	9	10.2	Montreal Trams	50	88	90	88½	90
45½	38½	1.60	4	Moore Corp.	714	38½	40	39	40
190	154½	7	4.5	Do. pref. (A)	....	(155 bid 180 asked)			
267	250	7	2.6	Do. pref. (B)	....	(225 bid — asked)			
1.25	.60	.	...	Muirheads	....	(— bid .90 asked)			
5½	3½	.	...	Do. pref.	....	(4½ bid — asked)			
				N					
42½	36	2	5.5	Nat. Breweries	2120	38½	38½	36	37
43½	38	1.75	4.6	Do. pref.	220	39½	39½	38	38½
11	7¼	.	...	Nat. Grocers	200	8¾	8	7½	7½
140	130	7+5.25▲	.	Do. pref.	....	(— bid 131 asked)			
21½	12¾	.	...	N. Sew. Pipe A.	75	13½	14¾	14¾	14¾
57½	25	.	...	Nat. Steel Car.	6490	30	31	25	26
210	201	8	3.9	National Tr.	5	204	207	207	207
54	31	2	6.3	Niag. W. Weav.	580	32½	33	31	31
4.00	1.00	.	...	North Star Oil	....	(— bid 1.60 asked)			
4¾	3½	43¾c▲	..	Do. pref.	300	3½	3½	3½	3½
97½	96	5	5.2	N. S. L. & Pr.	....	(96 May 27)			
105	97½	6	5.7	Do. pref.	2	104	104½	104½	104½
37	9½	.	...	N. S. Steel, pf.	....	(— bid 20 asked)			
				O					
300	224	8	3.6	Ogilvie Flour	....	(— bid 215 asked)			
168	150	7	4.5	Do. pref.	17	155	157	157	157
112	106	5	4.6	Ontario Loan	....	(106 bid 111 asked)			
7½	4¾	.	...	Ont. Silknit	....	(— bid 6 asked)			
71	64	7	10.9	Do. pref.	....	(— bid 57 asked)			
18¾	15			Ont. Steel	....	(12 bid 13 asked)			
115	98	7+23.25▲		Do. pref.	....	(98 bid — asked)			
3.50	1.75	.	...	Orange Crush	100	1.95	1.90	1.80	1.90
10	5½	.	...	Do. pref.	50	6	6	6	6
31	30	.	...	Ottawa Car	....	(30 bid — asked)			
100	86½	6	6.7	Ott. L. H. & Pr.	....	(— bid 86 asked)			
105	101	5	4.8	Do. pref.	....	(— bid 103 asked)			
24	19½	2	8.7	Ott. Traction	....	(— bid 24 asked)			
				P					
110	87¾	3.75+25c.		Page Hersey	785	92	93	87¾	89
9¾	5	.	...	Pantepec Oil	535	6½	5½	5	5½
20	15	.	...	Paton Mfg.	....	(15 bid — asked)			
†110	100	7	...	Do. pref.	....	(110 Nov. 7, '36)			
63¾	57	3	5.3	Penmans	10	57½	57	57	57
130	124	6	4.8	Do. pref.	....	(125 bid — asked)			
26½	21	1	4.6	Photo Eng.	....	(— bid 23 asked)			
103	96	7	7	Porto Rico Pr. p	25	103	100¾	100½	100½
33¾	14½	25c	...	Power Corp.	2736	17	17	14½	16
108	99	6	6	Do. pref.	....	(— bid 91 asked)			
3¾	2	.	...	Prairie C. Oil	525	3½	3	3	3
36	27	2	7.4	Pressed Metals	25	29	29	27	29
53	22	.	...	Price Bros.	12851	27½	29¾	22	26¾
79	56½	.	...	Do. pref.	750	60	60	56½	57
				Q					
25¾	17	1	5.9	Quebec Power	725	17	17¾	17	17
5	4	.	...	Que. Telephone	70	4½	4½	4½	4½
				R					
58	40	2	5	Real Estate L'n.	....	(40 bid 50 asked)			
11	7	.	...	Regent Knit.	622	8½	10	8	9
25	19	1.60	6.8	Do. pref.	150	24½	24	23½	23½
4	2	.	...	Reinhardt Brew.	....	(2½ bid 3 asked)			
14½	8		...	Reliance Grain.	....	(4½ bid 7 asked)			
29½	22	90+15c●		Remington R'd.	....	(18½ bid — asked)			
33	25	2	8	River S. Mills	35	25	26	25	26
8¾	4½	.	...	Rogers Majest.	200	5½	5½	4½	4½
31	26	1	...	Rolland Pap.	....	(— bid 29½ asked)			
33	25	.	...	Do. Vot Trust	....	(— bid 24 asked)			
106½	102¾	6	5.7	Do. pref.	30	105	105	105	105
11¾	7½	25c	...	Root Petroleum	....	(— bid 10 asked)			
227	176	8	4.5	Royal Bank	874	187	186	176	176
78	56	4	...	Russell Motc	....	(70 bid — asked)			
118	102	7	6.4	Do. pref.	10	112	110	110	110
				S					
103½	98½	5.50	5.2	Saguenay Pr. p.	5	101	102¾	102¾	102¾
22	7	.	...	Sarnia Br. (A)	90	11	7	7	7
16	3	.	...	Do. (B)	15	7½	3	3	3
34	22	80c	3.5	Shawinigan Pr.	3669	24	25	22	23
30	16	.	...	Sher. Wms.	150	18	18	16	16
131	115	7	5.8	Do. pref.	....	(115 bid — asked)			
1.60	1.50	.	...	Silverwoods	30	1.50	1.50	1.50	1.50
4¾	3½	.	...	Do. pref.	410	4½	4½	3¾	3¾
16	11	.	...	Simon & Son	120	13	11	11	11
110	100	10.50	...	Do. pref.	20	110	110	110	110
110	92½	5	5.4	Simpson, pf.	77	93½	93½	93	93
38	20		...	Do. (A)	....	(— bid 24½ asked)			
17	6½		...	Do. (B)	10	8	7	7	7
122	109	6	5.4	Simpson, R., pf.	5	113	111	111	111
18½	11¾	80c	6.7	So. Can. Pr.	493	13½	13½	11¾	12
108	102½	6	5.7	Do. pref.	137	104½	105	103½	103½
15½	5¾	.	...	St. Law. Corp.	15190	8	8¾	5¾	7½
39¾	17	.	...	Do. (A)	8720	21¾	22½	17	19¾
26	21	1	4.8	St. Law. Flour.	100	24	23	21	21
145	135	7	5.2	Do. pref.	....	(— bid 140 asked)			
98	58	.	...	St. Law. Pap. p	3817	68	71	58	63½
15½	10	.	...	Stand. Chem.	35	13	10	10	10
14½	8	.	...	Stand. Clay	....	(— bid 14½ asked)			
9½	2¾	.	...	St. Pav. & Mat.	960	3½	4	2¾	3½
56	22		...	Do. pref.	15	26	24	22	22
49½	36	3+2.75▲		Stand. Steel, p.	75	42	40	40	40
96½	68½	1.75‡	2.5	Steel of Can.	1806	75	76	68½	68¾
88½	66	1.75	2.6	Do. pref.	60	69	66	66	66
5	3½	.	...	Sterling Coal	40	5	5	5	5
3.50	1.00	.	...	Stop & Shop	100	1.80	1.50	1.50	1.50
17	14½	80c	5.3	Stuart, D. A. pf.	....	(— bid 15½ asked)			
3	3		...	Supersilk H. A.	....	(— bid 3½ asked)			
85	80	2.50		Do pref.	....	(— bid 83 asked)			
39	33½	1+25c	3.6	Sup. Pete. ord.	270	35	35	35	35
36½	33	1+25c	3.6	Do. com.	....	(— bid 49 asked)			
				T					
16¾	13	80c	5.2	Tamblyn	230	16	16	13	16
54	52	2.50	4.7	Do. pref.	....	(53½ Sept. 14)			
2½	1¾	.	...	Thayers	300	2½	2½	2½	2½
25	16½	2.50	...	Do. pref.	82	20	19	19	19
2	½	.	...	Thrift Stores	....	(— bid ¾ asked)			
8	5	.	...	Do. pref.	....	(— bid 6 asked)			
16	10	60c	4.6	Tip Top Tailors	120	13½	13½	13	13
110	104	7	6.5	Do. pref.	70	108	108	107	107
6	2		...	Tooke Bros	....	(3 bid — asked)			
34¾	15	.	...	Do. pref.	....	(10 bid 15 asked)			
46	20½	1	4.7	Tor. Elevators	825	22½	22	20½	20¾
52	47	2.62½	5.3	Do. pref.	40	49½	49½	49½	49½
110	85	4	4.3	Tor. Gen. Tr.	10	85	92	92	92
126	110	6	5.2	Toronto Mtge.	16	115	115	110	110
160	148½	7	4.7	Tuckett Tob. p.	....	(— bid 155 asked)			
18	9	.	...	Twin City	....	(— bid 10¾ asked)			
				U					
19	13	27½c	...	Union Gas	2765	14	15	13½	14
28	20	60c	...	Un. Amuse. A.	....	(— bid 25 asked)			
27	24	60c	...	Do. (B)	....	(— bid 27 asked)			
1.15	.65	.	...	United Distill.	300	.90	.85	.85	.85
62½	37½	3▲	...	United Fuel, pf.	255	38	42	37½	37½
25	15½	2	8.7	United Secs.	10	17	23	23	23
11½	4¾	.	...	United Steel	6565	6	6½	4¾	5½
				V					
8	2	.	...	Viau Bisc.	20	3	3	3	3
60	45	5	10.6	Do. pref.	....	(— bid 48 asked)			
				W					
35	20	1+25	6.2	Wabasso Cot.	75	22½	21	20	20
51½	37½	2	5.1	Walker-Good.	7599	40	41	37½	40
20	18½	1	5.3	Do. pref.	2312	19	19½	18¾	18¾
3.50	1.10	.	...	Walkerville Br.	325	1.85	1.75	1.50	1.50
5	1½	.	...	Waterloo Mfg.	395	1½	1¾	1½	1½
12	4¾	.	...	West. C. Flour	115	5	4¾	4¾	4¾
90	40	.	...	Do. pref.	....	(— bid 41 asked)			
71	65	3	4.3	West. Grocers	....	(— bid 69 asked)			
125	115½	7	5.9	Do. pref.	....	(116 bid 125 asked)			
18½	11½	80+10c	..	Weston Ltd.	1145	12½	12½	11½	11¾
106½	90	5	5.4	Do. pref.	5	90	92	92	92
8	4	.	...	Windsor Hotel	....	(— bid 5 asked)			
23	9	.	...	Do. pref.	30	11	9	9	9
10½	3	.	...	Winnipeg El. A.	2600	3¾	3¾	3	3½
10	3	.	...	Do. (B)	895	3½	3½	3	3
44	18	.	...	Do. pref.	15	20	18	18	18
76	53	5.25▲	...	Wood, A. & J. p	15	62	75	65	65
85	55	.	...	Woods Mfg., pf.	25	60	60	60	60
				Z					
7½	3¾	.	...	Zimmerknit, c.	20	5	5½	5½	5½

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
● Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Of which $2 is capital distribution.

Mining Stock Quotations

WEEK ENDING SEPTEMBER 27

Par Val.	Range 1937 High	Low	Company	Sales	Close Sept. 20 (or last)	High for week	Low for week	Close Sept. 27
1	59.50	46.00	Lake Shore	4,449	48.00	49.50	46.75	[illegible]
1	.28	.04	Lamaque Contact	13,700	.04	.04½	.04	[illegible]
1	1.33	.47	Lapa Cadillac	19,700	.52	.54	.47	[illegible]
1	1.30	.73	Lava Cap	24,950	.89	.92	.84	[illegible]
1	.30	.11½	Lebel Oro	29,800	.15½	.15½	.12	[illegible]
1	.07½	.02	Lee Gold	10,500	.02½	.02½	.02½	[illegible]
1	1.35	.45	Leitch Gold	19,750	.54	.55	.50	[illegible]
No	8.40	4.30	Little Long Lac	10,840	4.70	5.00	4.30	4.60
1	8.60	4.10	Macassa	54,760	4.75	4.90	4.10	4.65
1	1.26	.50	Madsen Red Lake	45,500	.67	.70	.54	.55
1	.04½	.01½	Malrobic	4,000	.02½	.01½	.01½	[illegible]
No	.69	.20	Mandy	3,500	.21	.21	.20	.20
No	.16	.02	Man. & Eastern	10,500	.02½	.02½	.02½	[illegible]
1	.36	.08½	Maralgo	12,975	.10	.12	.08½	.12
5	42.25	32.63	McIntyre	4,245	33.25	33.63	32.63	33.63
1	2.03	1.00	McKenzie R. L.	14,600	1.07	1.14	1.00	1.10
1	.65	.40	McKinley	....	(.50 bid .70 asked)			
No	4.85	1.15	McLeod Cockshutt	37,383	1.30	1.35	1.16	1.25
No	1.21	.33	McWatters	13,900	.39	.40	.33	.37
1	.57	.15½	McVittie	13,400	.20	.20	.15½	.18
No	5.00	2.00	Mining Corp.	12,787	2.40	2.50	2.00	2.40
No	.33½	.07½	Minto Mines	11,800	.10½	.11½	.07½	.07½
1	.08	.02	Moffatt Hall	3,500	.02	.02	.02	.02
1	.88	.20	Morris Kirk	13,800	.23	.23	.20	.20
1	1.97	.95	Moneta	63,665	1.68	1.72	1.59	1.74
1	.45	.10	Montague	1,300	.10	.12	.10	.10
1	.10	.02½	Murphy	7,000	.02½	.03	.02½	.02½
1	1.05	.22	Naybob	18,910	.29½	.35	.22	.31
No	.12	.01	Newbee	12,500	.03½	.03½	.03½	.03½
1	1.49	.35	New Golden Rose	3,000	.45	.45	.35	.40
5	3.60	1.55	Nipissing	4,385	2.00	2.10	1.55	2.00
No	83.00	48.00	Noranda	24,135	52.00	53.50	48.00	[illegible]
No	.95	.64	Nor. Canada	9,600	.70	.70	.69	.70
1	.16½	.02	Norgold	500	.02½	.03½	.03½	.03½
1	2.23	.98	Normetal	17,393	1.25	1.30	.98	1.05
1	13.25	3.60	O'Brien	49,019	4.05	4.20	3.60	4.00

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 28, 1937

Public Utility Issues	Int. Rate %	Due	Bid Sept. 28	Asked	Bid Sept. 21
†Assoc. Tel. & T.	5½	'55	77	82	77
▲Avalon Tel.	5½	'48	101	..	101
Beauharnois P.	5½	'73	60	63	59
‡Bell Telephone	5	'55	111	114	111½
‡Do.	5	'57	115½	118½	116
B. C. Power	4½	'60	98½	101½	99
B. C. Tele.	4½	'61	103½	106½	105
†Can. Nor. Pwr.	5	'53	103	106	103
‡Dom. Gas & El.	6½	'45	78	83	81½
‡Gatineau Pwr.	5	'56	99½	102½	101
‡Do., A	6	'41	98½	101½	100
‡Do., B	6	'41	98½	101½	100
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-El.	6	'44	72	75	73½
‡Inter. Power	6	'57	98	101	98
‡Do.	6½	'57	99	102	99
▲Do.	6	'55	100½	103½	100½
†Macl'n-Que. Pr.	5½	'61	98½	101½	99
†Do.	5	'64	98	101	98½
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L., H. & P.	3½	'56	98½	101½	99
†Mtl. Tramways	5	'41	99½	102½	99½
†Do.	5	'55	76	79	76
Nfld. L. & P.	6½	'56	97½	100½	97
N. S. L. & Pr.	4	'57	97½	100½	97
†Ot'wa L. H. & P.	5	'57	103½	106½	103
†Ottawa V. Pwr.	5	'70	103½	106½	103½
†Power Corp.	4½	'59	95½	98½	98½
Saguenay P., B	4½	'66	102½	105½	102½
*Do., A	4½	'66	100½	103½	101
†Shaw. W. & Pr.	4	'61	96½	99½	97½
†Do.	4½	'70	101½	104½	102½
†United Secs.	5½	'52	68	71	69
‡Wpg. Elec., A	4	'65	65½	68½	67½
‡Do., B	4	'65	...	...	56
Industrial and Realty Issues					
†Abitibi P. & P.	5	'53	79	82	81
Acadia Sugar	4½	'55	98½	...	98½
B. A. Oil	4	'45	101½	104½	101½
Brown Co.	5½	'46	83½	86½	82
Canada Bread	6	'41	107½	110½	108
†Canada Cement	4½	'51	98½	101½	99
†Canada Paper	4½	'52	94	97	95
Can. Steamship	5	'57	75	78	75
Can. Canners	4	'51	98½	101½	98
Can. Bakeries	6½	'45	99½	...	99½
†Can. Inter. Pap.	6	'49	97½	100½	98½
C. P. R. debs.	4	Per.	89½	92½	94½
Do.	3½	'51	92½	95½	94
Do.	4	'49	97½	100½	98
Do.	4½	'44	99½	102½	99½
†Can. Vickers	6	'47	90	93	90
†Consol. Paper	5½	'61	74	77	78
▲Dom. Stl. & C.	6½	'55	...	...	98½
Dom. Tar	4½	'51	99	102	100
†Donnacona P.	4½	'56	80	83	83
†Famous Players	4½	'51	94	97	95
†Fraser Cos.	6	'50	102½	105½	103
†Gen. Steel W.	4½	'52	93½	96½	94½
Great Lakes P.	5	'55	92	95	92
†Gypsum, Lime.	5½	'48	100	103	100
†Gr. Br. & Can. Invest.	4½	'59	77	82	82
Ham. By-Prod. Coke	5	'50	97½	100½	98½
†Inter. Paper	6	'55	84	87	90
†Inter P. & P. Nfld.	5	'68	99	102	101
Inter City Bak.	5½	'48	101	104	101
†Kingston Elev.	6	'50	94	97	95
Lake St. John P. & P.	5½	'61	99	102	99½
Do.	5	'61	75	79	79
Lond. Can. Inv.	4½	'48	92	95	92
Massey-Harris	5	'47	92½	95½	95
McColl-Fron.	6	'49	103	106	103
Mersey Paper	6	[illegible]	[illegible]	[illegible]	[illegible]
M. & O. Paper	6	'45	57	60	59
Nat'l Grocers	4	'47	100	103	100
Nor. Ont. Bldg.	6½	'39	95	98	96½
Price Bros.	5	'57	97	100	97
Prov. Paper	5½	'47	101	104	101½
Queen's Hotel	6	'47	98	101	98
Restigouche C.	6	'48	110½	113½	111
Rolland Paper	5½	'51	102½	105½	102½
Ruddy & Co.	6	'48	98	101	98
Simpsons Ltd.	4½	'51	93½	96½	95½
Smith, Howard	4½	'51	98½	101½	100
Steel of Canada	6	'40	109	112	109
Sterling Coal	6	'40	94	97	94
*Twin City	5½	'52	64	69	70
United Amuse.	5	'56	97½	100½	97½
United Corp.	5	'53	95	98	95½
Union Gas	4½	'50	97½	100½	98½
Windsor Hotel	6½	'43	81½	84½	82½
Do.	6	'47	41	44	41

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Municipal Bonds

September 29, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	111.00	112.50	4.17
Hamilton	5	1950	112.50	114.40	3.60
Montreal	5	1945	105.50	107.00	3.90
Ottawa	4½	1945	107.50	109.50	3.10
†Quebec	5	1959	104.00	106.00	4.56
Saint John	5	1950	106.50	108.00	4.22
†Toronto	4½	1955	111.00	113.00	3.50
†Vancouver	5	1950	90.00	94.00	5.67
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Sept. 28	54,300	78,600	704,000
Sept. 27	96,500	124,200	663,000
Sept. 25	71,500	123,000	507,000
Sept. 24	117,900	150,800	771,000
Sept. 23	35,700	65,400	441,000
Sept. 22	38,500	64,400	410,000

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.85	4.30
Can. Invest. Fund	3.90	4.30
All Can. Trustee	11.25	11.75
Trans Canada	12.95	....
Grouped Income	5.48	6.05
Can. Equity	12.50	...
Can. Int. Tr., modified	5.75	6.25
Do., unmodified	5.25	5.75

Public Utility Earnings

Jamaica Public Service

August:	1937 $	1936 $
Gross earnings	72,417	72,484
Net earnings	30,189	28,259
Surplus after charges	21,307	19,666
12 Mos. end. Aug. 31:		
Gross earnings	889,070	876,200
Net earnings	363,170	349,501
Surplus after charges	260,796	245,548

The above figures translated from £ sterling at the rate of $4.86⅔ to the £.

Listed Bonds

Week Ended Sept. 27

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50¾	50½	50¾	50½

Unlisted Mines

Sept. 28, 1937

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Ansel	.42	.45	Gate. Pat.	.03½	.04½	Opem. Cop.	.06	.08
Albany River	.54	.56	Gilbec	.01	.02	Oriole	.05	.06
Algold	.34	.36	Gold Pat.	.43	.46	Old Diamond	.02½	.03
Altura	..	.07½	Gold Range	.02	.03	Ossian	.01½	.01¾
Armistace	.06	.08	Goldside	.03	.03½	Pascalis	.22	.24
Arno	.02	.03	Gordon Lebel	.05	.06	Porc. Mc.	.02	.03
Athona	.12	.15	Gull Kirk.	.01½	.02½	Porc. Un.	.04	.06
Area	.02	.03	Hudson Pat.	.03½	.04	Porc. Plains	1.75	1.95
Augite	.11	.14	Hislop	.03½	.04½	Potterdoal	.02	.02½
Bailor	.01½	.02½	Horseshoe	.01½	.01¾	Porc. Tri.	.08	.10
Bar Lar.	.08	.09	Hutch. Lake	.09½	.10½	Pontiac	.08½	.10
Bilmac	.07	.09	Hugh Pam.	.05½	.06½	Pelangio	.04	.05
Big Master	.05	.06	John. Nip.	.03	.04	Propriety	1.25	1.40
Baldwin	.01½	.02	Kaw Crow	.04	.05	Que. Man.	.46	.47
Cuniptau	.04	.05	Kenocha	..	.09	Rajah	.04½	.05½
Calder B.	.04	.05½	Kenricia	.28	.32	Ribago N.	.09	.10
Cal. Fl. Fl.	.02	.03	Kewgama	.20	.25	Ribago O.	..	.02½
Can. Pan.	.07	.08	King Kirk.	.01	.02	Rouyn Reward	.02½	.03½
Can. Kirk.	.01½	.02	Vir-Vit.	.07	.08	Rubec	.01½	.02½
Candalaca	..	.35	Kirk. Hun.	.02½	.03½	Sand River	.19	.21
Chesterville	.80	.95	L. Rowan	..	.28	Shenango	.12	.12½
Coin Lake	.03	.05	Lafayette	.01½	.02	Siscoe Ex.	.15	.16
Condor O.	.02	.03	Lake Geneva	.39	.40	Smelter	.01½	.02½
Cont. Kirk.	.25	.28	Lamaque	6.00	6.75	Spooner	.07½	.09
Cooke Lake	.26	.29	Lardego	.06¾	.07½	Sturgeon River	.20	.23
Coulson	.06	.06	Margaret Lake	.20	.23	Springer	.07	.08
Cres. Kirk.	.03	.04	Mag. L.	.06½	.07½	Straw L.	.10½	.11½
Dawson White	.07½	.08½	Mag. C.	.17	.20	Sun Bear	..	.15
Denison N.	.27	.30	Malartic	..	.26	Tonawanda	.02	.03
Desantis N.	.27	.30	Mart. Mc.	..	.04½	Tripple Lake	.34	.38
Doreva	.14½	.16	Mart. B.	.35	.37	Upper Can.	.16	.18
Delosha	.17	.19	Mata Cn.	.10	.12	Wascana	..	.10
Dunlop N.	.05	.06	Moffatt N.	.04	.05	Williamson	.06	.07
El. Bon.	.08	.10	McFarlane	.07½	.08	Wesley	..	.10
Electra Porc.	.06	.08	McCarthy Webb	.14	.16	Westside	.05	.05½
Eva Lake	.07½	.08	McVittie Kir.	.03	.03½	West Red L.	.02	.02½
Elmos	.08	.10	Monarch	.03½	.04½	Wendigo	.22	.23
Faulkenham	..	.30	Mooshla	..	.11	White Horse	.08	.10
Fernland	.17	.19	Mosher	.13	.15	Winoga	.08	.11
Fleming	..	.17	Norlake	.05	.06	Woco	.16	.18
Frontier	.06	.07	North Shores	.01½	.02½	Young D.	.18	.19½
Galatea	.01½	.02	Oklend	.11½	.12	Ypres C.	.09½	.11
Garnet	.01½	.02½	O'Leary	.05	.06			

ernment Bonds

ominion of Canada Bonds

29, 1937	Bid	Asked	Approx. Yld.
Nov. '39	100.75	101.25	1.41
Oct. '39	101.75	102.25	1.40
Oct. '39	104.50	105.00	1.55
June '40	99.25	100.00	1.50
Sept. '40	106.75	107.50	1.88
Mar. '41	97.25	98.00	1.59
Nov. '41	109.75	110.50	2.34
Oct. '42	103.00	103.75	2.22
1 June '43	100.50	101.25	2.26
5 Oct. '43	111.00	111.75	2.88
5 Oct. '44	109.50	110.25	2.92
5 Aug. '45	99.00	99.75	2.53
15 Oct. '45	106.00	106.75	▲2.78
1 Feb. '46	109.50	110.25	3.09
1 June '49	100.50	101.25	▲3.08
15 Oct. '49	101.75	102.50	▲3.10
15 Oct. '52	105.50	106.25	▲3.29
1 June '55	96.25	97.00	3.22
1 Nov. '56	109.00	109.75	▲3.29
1 Nov. '57	109.00	109.75	▲3.39
1 Nov. '58	109.50	110.25	▲3.41
1 Nov. '59	109.50	110.25	▲3.48
15 Jan. '61	98.75	99.25	3.30
1 June '66	98.00	99.00	3.30
Perp. bds.	87.00	88.00	3.41
Dominion Guaranteed Bonds			
adian National Railway:			
1 May '44	101.00	102.00	2.67
15 Dec. '50	95.75	96.75	3.30
15 Feb. '53	95.00	96.00	3.33
1 Sept. '51	112.25	113.25	3.31
1 Feb. '56	112.50	113.50	3.50
1 July '57	112.00	113.00	3.60
15 June '55	115.25	116.25	3.53
1 Feb. '54	116.00	117.00	3.62
1 July '69	115.25	116.25	▲3.01
1 Oct. '69	117.25	118.25	▲3.51
Provincial Government Bonds			
New Brunswick:			
4 1 Sept. '54	99.00	101.00	3.92
4½ 15 Apr. '61	104.00	105.50	4.12
5 15 Jan. '60	107.50	109.50	4.33
Nova Scotia:			
3 2 Sept. '45	97.00	98.50	3.21
4½ 15 May '43	106.00	107.50	3.05
4½ 15 Sept. '52	108.00	109.00	▲3.43
5 1 Mar. '60	115.50	117.50	3.83
Ontario:			
3 1 Dec. '51	95.50	96.50	3.30
4 1 June '62	105.50	106.50	3.60
4½ 1 June '50	110.00	111.00	3.44
4½ 15 Jan. '62	114.00	116.00	3.52
5 15 Oct. '48	114.00	115.00	3.41
5 2 Dec. '60	118.50	120.00	3.72
5½ 1 July '46	115.50	116.50	3.33
Ont. Hydro Comm.:			
3½ 1 Apr. '47	102.00	103.00	3.15
4½ 1 Jan. '70	116.00	117.00	3.83
Prince Edward Island:			
3 1 Oct. '45	97.00	98.50	3.19
Quebec:			
4 15 Mar. '52	105.00	106.25	3.45
4¼ 1 Aug. '58	108.25	109.75	3.58
4½ 2 Jan. '63	110.50	112.00	3.77
Alberta:			
4 15 Dec. '54	52.50	55.00	§
†4 1 Dec. '57	52.50	55.00	§
4½ 1 Oct. '51	62.00	67.00	§
†4½ 1 Oct. '56	56.00	58.00	§
†5 1 Jan. '48	57.00	59.00	§
5 1 Sept. '55	57.00	59.00	§
*5 1 Oct. '59	57.00	59.00	§
†5½ 1 Jan. '47	58.00	60.00	§
6 1 Mar. '47	62.50	64.50	§
British Columbia:			
†4 1 Dec. '57	90.00	92.00	4.60
*4½ 15 Jan. '51	97.50	98.50	4.65
†4½ 1 Oct. '53	95.00	97.00	4.77
†5 15 Jan. '48	99.50	100.50	4.94
5 1 Sept. '53	99.50	100.50	4.95
5½ 1 Feb. '45	100.50	101.50	5.25
6 15 Feb. '47	103.00	104.00	5.45
Manitoba:			
4 2 Jan. '50	82.50	84.50	5.75
†4 1 Dec. '57	83.00	85.00	5.20
†4½ 15 Dec. '56	85.00	87.00	5.60
5 15 June '59	90.50	92.00	5.74
5 2 Dec. '59	91.50	93.50	5.50
†5 1 Oct. '55	93.00	94.50	6.00
6 1 Apr. '47	97.00	98.50	6.20
Saskatchewan:			
4 15 Aug. '53	64.50	66.50	7.67
4 1 Nov. '60	61.50	63.50	7.25
*4½ 2 July '45	74.00	77.00	8.60
†4½ 1 Oct. '51	77.00	80.00	6.72
†4½ 15 Mar. '60	67.00	69.50	7.27
5 1 Aug. '58	71.00	73.00	7.60
5 15 Nov. '46	75.00	79.00	8.90
†5½ 1 Oct. '52	73.00	76.00	8.32
5½ 15 Mar. '52	74.50	77.50	8.78

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surp., pfd.	$1.75	Oct. 1	Sept. 15
Acme Glove	12½c	Oct. 1	Sept. 18
Do., pref.	$1.62½	Oct. 1	Sept. 18
Amer. Cyanamid, A and B	15c	Oct. 1	Sept. 15
Anglo Nor. Hold., pf.‡	$3.50	Sept. 30	Sept. 28
Assoc. Brew.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Barker's Bread	8c	Oct. 8	Sept. 23
Do., pref.	62½c	Sept. 30	Sept. 23
Bell Telephone	$2	Oct. 15	Sept. 23
Brazilian Tract., p.	$1.50	Oct. 1	Sept. 15
Burlington Steel	15c	Oct. 1	Sept. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Brantford Cord., pf.	32½c	Oct. 15	Sept. 20
Belding-Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
B. A. Oil	25c	Oct. 1	Sept. 16
Bldg Prod., A & B	50c	Oct. 1	Sept. 16
Do., extra	25c	Oct. 1	Sept. 15
Burt, F. N.	50c	Oct. 1	Sept. 15
B. C. Elec. Pwr. pf.	$1.50	Oct. 1	Sept. 20
Burry Biscuit, pfd.	75c	Oct. 1	Sept. 22
Canada Life	$5	Oct. 1	Sept. 30
Can. Nor. Pwr., pf.	$1.75	Oct. 15	Sept. 30
Canada Packers	75c	Oct. 1	Sept. 15
Cent. Can. Loan	$2	Oct. 1	Sept. 18
Cent. Patricia	4c	Sept. 30	Sept. 15
Can. Canners, 1st pf.	25c	Oct. 1	Sept. 15
Do., 2nd pref.	15c	Oct. 1	Sept. 15
Can. For. Inv.	40c	Oct. 1	Sept. 15
Do., pref.	$2	Oct. 1	Sept. 15
Can. Gen. Elec.	$1.50	Oct. 1	Sept. 15
Can. Packers	75c	Oct. 1	Sept. 15
Can. Westinghouse	50c	Oct. 1	Sept. 20
Can. Industries	$1.75	Oct. 30	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Breweries, pf.	50c	Oct. 15	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Canadian Oil, pref.	$2	Oct. 1	Sept. 20
Cariboo Gold	2½c	Oct. 1	Sept. 10
Carnation Co., pf.	$1.25	Oct. 1	Sept. 20
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Cottons	$1	Oct. 1	Sept. 17
Do., pref.	$1.50	Oct. 1	Sept. 17
Comm. Alcohol, pf.	*10c	Oct. 15	Oct. 1
Can. Wire. Box, A	37½c	Oct. 1	Sept. 15
Celanese of Amer.	75c	Oct. 1	Sept. 17
Do., pr. pref.	$1.75	Oct. 1	Sept. 17
Chartered Trust	$1	Oct. 1	Sept. 15
Consumers' Gas	$2.50	Oct. 1	Sept. 15
Can. Celanese	40c	Sept. 30	Sept. 17
Do., pref.	$1.75	Sept. 30	Sept. 17
Cons. Bakeries, ord.	25c	Oct. 1	Sept. 21
Can. & D. Sugar	▲$1	Oct. 1	Sept. 20
Canada Bread, 1 pf.	$1.25	Oct. 1	Sept. 20
Do., B pref.	62½c	Oct. 1	Sept. 20
Do., arrears	12½c	Oct. 1	Sept. 20
Confed. Life	$1	Sept. 30	Sept. 25
Dome Mines	$1	Oct. 20	Oct. 4
Dom. Rubber, pf.	$1.75	Sept. 30	Sept. 22
Dominion Coal, pf.	37c	Oct. 1	Sept. 15
Dom. Bank	$2.50	Oct. 1	Sept. 20
Dom. Glass	$1.25	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
East. Steel, pfd.	$1.75	Oct. 1	Sept. 16
Easy Washing, pf.	‡35c	Oct. 1	Sept. 22
Economic Trust	62½c	Oct. 1	Sept. 21
Fanny Farmer	25c	Oct. 1	Sept. 15
Do., extra	25c	Oct. 1	Sept. 15
Falconbridge	7½c	Sept. 30	Sept. 8
Gt. West Life	$5	Oct. 1	Sept. 20
General Trust, pf.	$1.50	Oct. 1	Sept. 23
Gt. Lakes Power, p.	$1.75	Oct. 15	Sept. 30
Goodyear Tire	62c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Gachin Gold, pf.	18c	Sept. 30	Sept. 15
Gair, Robert, pf.	75c	Sept. 30	Sept. 27
Gould Pumps, pf.	$2	Oct. 15	Oct. 1
Ham. Un. Theat., p.	$1.50	Sept. 30	Aug. 31
Ham. Cotton, pfd.	‡50c	Oct. 1	Sept. 15
Hedley Mascot G.	*3c	Jan. 1	Dec. 1
Hinde & Dauch	25c	Oct. 1	Sept. 15
Huron & E. Mtge.	$1	Oct. 1	Sept. 15
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do., extra	5c	Oct. 7	Sept. 23
Howe Sound	75c	Sept. 30	Sept. 24
Do., extra	75c	Sept. 30	Sept. 24
Imp. Bank	$2.50	Nov. 1	Sept. 30
Imp. Tobacco	10c	Sept. 30	Sept. 10
Do., pref.	3%	Sept. 30	Aug. 31
Inter. Nickel, c.	50c	Sept. 30	Sept. 10
Inter. Power, pf.	$1.50	Oct. 1	Sept. 15
Int State Rlty., A	28c	Oct. 1	Sept. 15
Invest. Found., pfd.	50c	Oct. 15	Sept. 30
Do., arrears	25c	Oct. 15	Sept. 30
Indust. Accept., pf.	$1.25	Sept. 30	Sept. 20
Do., Class A	37½c	Sept. 30	Sept. 20
Do., extra	12½c	Sept. 30	Sept. 20
Inter. Milling, pf.	$1.25	Oct. 15	Oct. 14
Inter. Nickel, pf.	$1.75	Nov. 1	Oct. 2
Jam. Pub Ser.	43½c	Oct. 1	Sept. 18
Do., pref.	$1.75	Oct. 1	Sept. 18
Kelvinator, c.	$1	Sept. 29	Sept. 23
Kelvinator, pfd.	50c	Nov. 15	Nov. 4
Kirk. Lake	6c	Nov. 1	Oct. 1
Landed Bkg.	$1.25	Oct. 1	Sept. 19
Lang, J. A., c.	17½c	Oct. 1	Sept. 15
Lava Cap Gold	5c	Sept. 30	Sept. 10
Loew's London, pf.	‡$1.75	Sept. 30	Oct. 2
Marcus Loew's, pf.	$1.75	Oct. 1	Sept. 18
Mitchell, J. S., pf.	$1.75	Oct. 1	Sept. 16
Moore Corp.	40c	Oct. 1	Sept. 14
Do., pref., A & B	$1.75	Oct. 1	Sept. 15
Monarch Knit., pf.	$1.75	Oct. 1	Sept. 15
Mtl. C. & D. Sav.	$3	Oct. 1	Sept. 30
Montreal Tele.	80c	Oct. 15	Oct. 4
Montreal Trams.	$2.25	Oct. 15	Sept. 30
Mtl. L. H. & Pr.	37c	Oct. 30	Sept. 30
McColl-Front., pfd.	$1.50	Oct. 20	Sept. 30
Nat. Grocers, pf.	$1.75	Oct. 1	Oct. 5
Nipissing M.	12c	Oct. 20	Oct. 5
National Trust	$2	Oct. 1	Sept. 20
Niagara Wire	50c	Oct. 1	Sept. 17
North. Star Oil, pf.	‡8½c	Oct. 1	Sept. 15
North. Can. Mining	4c	Nov. 1	Oct. 1
N. S. L. & Pr., ord.	$1.25	Oct. 1	Sept. 15
National Brew.	50c	Oct. 1	Sept. 15
Do., pref.	44c	Oct. 15	Sept. 10
National Biscuit, c.	40c	Oct. 15	Sept. 22
Ogilvie Flour, c.	$2	Oct. 1	Sept. 15
Ottawa L. H.	$1.50	Oct. 1	Sept. 15
Do., pref.	$1.25	Oct. 1	Sept. 15
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Ottawa Traction	50c	Oct. 1	Sept. 15
Page-Hersey	$1	Oct. 15	Nov. 5
Penmans	75c	Nov. 15	Oct. 21
Do., pref.	$1.50	Nov. 1	Oct. 21
Prov. Paper, pf.	$1.75	Oct. 1	Sept. 17
Petrol Oil	2c	Oct. 1	Sept. 15
Porto Rico Pr., pf.	$1.75	Oct. 1	Sept. 30
Power Corp., pf.	$1.50	Oct. 15	Sept. 30
Pickle Crow	10c	Sept. 30	Sept. 15
Pioneer Gold (B.C.)	10c	Oct. 1	Sept. 1
Premier Gold	3c	Oct. 15	Sept. 15
Do., extra	3c	Oct. 15	Sept. 15
Pressed Metals	50c	Oct. 1	Oct. 15
Regent Knit., c.	‡25c	Nov. 1	Sept. 15
Russell Motor	$1.25	Sept. 30	Sept. 15
Do., pref.	$1.75	Sept. 30	Sept. 15
Remington-Rand	35c	Oct. 1	Sept. 10
Reno Gold	3c	Oct. 1	Sept. 10
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 1
Stedman Bros., pf.	*25c	Oct. 1	Sept. 25
Do., com. new	2c	Oct. 15	Sept. 25
Sheep Creek Gold	2c	Oct. 15	Sept. 30
Sher.-Williams, pf.	‡$1.75	Oct. 1	Sept. 15
Stand. Fuel, pf.	$1.62½	Oct. 1	Aug. 16
Sylvanite Gold	20c	Sept. 30	Sept. 15
R. S. Mills, A	50c	Oct. 15	Sept. 20
So. Can. Pwr., pfd.	$1.50	Oct. 15	Sept. 15
Stand. Steel, pf., A	75c	Oct. 1	Sept. 15
Do., arrears	75c	Oct. 1	Sept. 15
Sun Life	$3.75	Oct. 1	Sept. 10
Teck-Hughes	10c	Oct. 1	Sept. 20
Tamblyn	20c	Oct. 1	Sept. 20
Do., pref.	62½c	Oct. 1	Sept. 20
Tip Top Tailors	15c	Oct. 1	Sept. 20
Do., pref.	$1.75	Oct. 1	Sept. 18
Tor. Gen. Trusts	$1	Oct. 1	Sept. 15
Tor. Mortgage	$1.50	Oct. 1	Sept. 20
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 23
United Secs.	$1.75	Oct. 15	Sept. 30
Viau Ltd., pf.	$1.25	Oct. 1	Sept. 18
Wabasso Cotton	25c	Oct. 1	Sept. 15
Weston, Geo., c.	20c	Oct. 15	Sept. 20
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 22
West. Koot. Pr., pf.	$1.75	Oct. 1	Sept. 15
Wood, A. & J., pf.	‡$1.75	Nov. 1	Oct. 20
Wr. Hargreaves	10c	Oct. 1	Sept. 8
Do., extra	5c	Oct. 1	Sept. 8

*Initial. ▲Extra. ‡On arrears. †Interim.

Mining Dividends

	Rate	Close Sept. 27	Yield %
Anglo-Huronian	20c	4.25	..
Beattie Gold	5c	1.01	..
Bralorne	40c+35c	7.40	*10.1
Buffalo Ankerite	50c+12½c	9.25	*6.7
Bulolo Gold	‡1.50	23.50	..
Can. Malartic	†5c	1.07	..
Cariboo	10c	1.45	6.9
Central Patricia	8c	2.15	..
Coniagas	12½c	2.15	..
Coniaurum	5c	1.15	..
Cons. Smelters	50c+$1	64.50	*2.3
Dome Mines	$4+$2	41.25	*14.5
Falconbridge	30c	5.75	5.2
Hollinger	65c+25c	11.00	8.1
Howey Gold	4c	.32	..
Hudson Bay	75c	23.50	..
Island Mountain	‡5c	.65	..
Inter. Mining	45c	9.00	..
Inter. Nickel, com.	$2	53.25	3.7
Kerr Lake	5c	.37	..
Kirk. Lake	9c	1.32	..
Lake Shore	$4+$1	47.87	*10.5
Lava Cap. M.	10c	.85	..
Little Long Lac	30c	4.60	..
Macassa	15c	4.65	3.2
McIntyre	$2	33.63	5.9
McKenzie Red Lake	4c	1.10	..
McKinley Sec.	5c	.45	..
Noranda	‡$1.75	51.00	3.4
Nor. Can. Mining	6c	.70	..
Nipissing	37c	2.00	..
Placer Develop.	‡60c	13.00	..
Premier	12c+4c	2.15	*7.4
Pioneer, B.C.	40c	3.35	11.9
Pickle Crow	40c	4.95	8.1
Reno	12c	.76	15.8
San Antonio	7c	1.30	..
Sheep Creek	8c+2c	.85	*11.8
Siscoe	20c+1c	3.05	*6.9
Sudbury Basin	†10c	3.00	..
Sullivan Cons.	†2½c	.95	..
Sylvanite	20c+5c	2.80	*8.9
Teck-Hughes	40c+5c	4.85	*9.2
Toburn	8c	2.20	3.6
Ventures	†12½c	5.75	..
Wright-Harg.	40c+30c	6.35	*11

‡Interim. †Initial.
*Yield includes bonus.

Commodities

Price Range	Latest week	Previous week	Same week last yr.
Cattle	$10.00	$9.50	$6.15
Hogs	11.50	11.50	8.85
Copper, lb.	.14	.14	.09¾
Cotton, lb.	.0859	.0906	.1234
Rubber, lb.	.1825	.1853	.1644
Sugar, raw, lb.	.0330	.0340	.0340
Silk, lb.	1.88½	1.90	1.74
Wheat, Man. (bu.)	1.41⅛	1.33¼	1.07⅜
Coffee, lb.	.09¼	.09¼	.08⅛
Hides	.15½	.15¾	.11¾
Weekly Indices			
N. Y. Annalist*	94.9	94.7	84.9
Fishers'	92.2	92.4	84.0
N. Y. Journal of Comm.	88.8	90.4	81.6
Crumps (Brit.)	82.3	82.5	71.4
U. S. Labor	87.3	87.5	81.5
Canada (D.B.S.)	84.8	84.6	76.2
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)	83.6	83.0	81.0
Retail (Aug.)	85.6	87.5	76.1
W'sale (Aug.)	87.9	87.2	80.5
U. S. (July)	111.5	110.6	93.6
Gt. Brit. (July)			

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degrees centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows; Hogs—select bacons, Toronto.

*Revised.

Canadian Cottons Ltd. Labor Enquiry Scheduled

From Our Own Correspondent

MONTREAL. — Ontario's Industrial and Labor Board will open its hearings in Cornwall on Sept. 28, in connection with its investigation of conditions in the three mills of Canadian Cottons Ltd.

DIVIDEND NOTICES

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1937, to Stockholders of record as of the 20th day of October, 1937.

Also a quarterly Dividend of Thirty-Seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1937. Payable the 1st day of November, 1937, to Stockholders of record as of the 20th day of October, 1937.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
September 24th, 1937.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Joy Oil Co. Battle Watched by Investor

Possibility of Price War in Toronto Touches Interests of Shareholders in at Least Five Other Companies—Detroit Evidence Reviewed

Entry of Joy Oil Co. into the Toronto oil and gasoline market is creating a disturbance involving the City Council and also many service station operators.

"Joy Gas" is marketed in Montreal through a separate company, St. Lawrence Service Stations Ltd.

Both the Joy and St. Lawrence companies are controlled by the family of Margaret Pauline Austin, wife of Charles E. Austin, from Detroit. Mrs. Austin is president of Joy Oil Co.

Mrs. Austin is quiet, 30 years old, mother of five children and formerly her husband's secretary. She says she infinitely prefers business to bridge, and "all those ghastly things women try to amuse themselves at."

Battle with City

The battle between Mrs. Austin and the city of Toronto has been in progress since the spring of 1936. It has been and is being fought not only at sessions of the City Council and committees at City Hall, but also in the courts. Only this week, statement of claim was filed by Mrs. Austin's counsel in a previously launched action, seeking an injunction to prevent further interference by the city with erection of the storage tanks and asking $250,000 damages for loss allegedly resulting from persistent refusal of City Council to grant the tank permits.

The suit is designed primarily to challenge the validity of council's action in refusing the permits in the face of previous sanctioning of above-ground tanks erected by other oil companies, and to test the soundness of the city by-law on which the council's position is based. Early this year, the Joy company was defeated in an effort to get a court order requiring issue of the permits, and was advised to test the by-law when the original suit was carried to the court of appeal.

Wall Around Toronto

The claim statement brands council's attitude as "capricious" and in restraint of trade, recalling the periodic complaint that the civic administration has a tendency to "build a wall around Toronto" in regard to business and the awarding of contracts.

Last year's city council rejected the Joy company's application after the matter had been exhaustively thrashed out before the civic property committee. Recently a slightly revised application was passed by the property committee by one vote, but turned down last week by city council. Since then, the committee has again passed the application and it will come before council once more next week.

The dispute was injected into the last city election by several candidates for office, and threatens to be an issue in the next election in December.

Despite strong opposition, the company already has 13 retailing service stations operating in Toronto, three more in process of construction and sites for four others.

Fear Price War

Typical of this opposition are the comments of H. K. Wood, president of Crown Dominion Oil Co.:

"It is unfortunate that our major Ontario market may be considerably upset when they (Joy Oil Co.) commence operations. Frankly they are the only disturbing outlook within the portion of the province with which we are particularly concerned."

In other words, gasoline station operators fear that the Joy operations may develop into a price war in Toronto and damage the service station business in the city.

Joy stations have been retailing gasoline in Toronto at 14 8/10 cents a gallon, plus six cents provincial tax. Some other stations who purchase from big distributing companies are already selling a third grade of gasoline at 14 cents, plus tax. Price for "Ethyl" grade is 20½ cents and for the next "standard" grade 18½ cents, plus tax. Good Rich Oil Co., in the low price field like the Joy firm, as also been retailing its grade at 14 8/10 cents.

So far, according to Mrs. Austin, her holdings in Canada amount to some $1,750,000. The property of the St. Lawrence Service Station Co. Ltd., the Montreal outlet of the company, is said to be an investment of about $700,000, the Joy Oil Co. Ltd., in Toronto, some $500,000 and the Walkerville Oil Co. Ltd., which so far operates only two service stations in Windsor, represents around $50,000.

Joy Oil Co. Ltd. was incorporated March 5, 1935, as Sunny Service Oil Co. (Canada) Ltd., with head office at Windsor. The authorized capital consists of 100 shares of no par value. It is provided that the shares may be issued and allotted for a consideration not exceeding an aggregate of $10,000. Supplementary letters patent were issued May 16, 1936, changing the name to Joy Oil Co. Ltd. Directors as reported to Ottawa in 1935 were Margaret P. Austin, G. Binks and A. Hyvonen, all of 3949 Putitan Ave., Detroit.

St. Lawrence Oil Co. Ltd. was incorporated in Quebec Aug. 3, 1934, with head office at Montreal. On March 9, 1939, the name of the company was changed to the present title, St. Lawrence Service Stations Ltd.

The issue is of particular interest to shareholders in such companies as British American Oil, Imperial Oil, Canadian Oil Companies, McColl Frontenac Oil, Supertest Petroleum, Crown Dominion Oil and Thayers Ltd. There is no direct investment interest, or very little, in such other distributing companies as Shell Oil Co. of Canada, Sun Oil Co., Cities Service Oil Co. and Good Rich Oil Co.

A gasoline war in Toronto would not be a good thing for the distributing oil companies, though it would not bear as heavily on such companies as Imperial Oil and British American, which control their own major sources of production, as on other firms. Last year, it will be remembered, the rising cost of crude oil, coupled with the increase in sales tax, both without commensurate changes in the retail selling price of gasoline, were accounted responsible for lower earnings by Canadian Oil and McColl Frontenac.

Joy supplies come largely from the big Texas oil fields. Oil is purchased through brokers in New York, and brought by tank steamer from the Gulf of Mexico to Montreal. Mrs. Austin says: "If we could buy refined Turner Valley Oil we should do so at once. There would be a saving in excise tax."

Detroit History

Fears of members of the Independent Gasoline Dealers' Association, Toronto, about what might be the result of the Joy invasion, go back to experience in Detroit when the Austins were the principal owners of Sunny Service Oil Co.

Sunny Service was organized by Charles E. Austin, who is described as formerly being in the real estate business. The firm imported Roumanian gasoline and sold it in Detroit until the United States imposed an import duty of 2½ cents a gallon.

In a statement before a committee of the Michigan State legislature investigating oil marketing in the state, Mr. Austin said Sunny Service Oil Co. was incorporated in 1928 for $10,000. Until the middle of 1929, it bought gasoline from Cities Service Co. at five cents below the established service station price. When the company began to cut prices, Mr. Austin said, Cities Service asked him to take down their signs and substitute his own brand. So he established the trade name "Zip."

Mr. Austin's testimony before the Michigan commission, as reported by the National Petroleum News, is that in 1929, he built his own storage plant, bought trucks and secured gasoline from various sources. As his business grew he contracted with Lubrite Refining Co., St. Louis, and later with Globe Oil & Refining Co., Lemont, Ill. About 1931, he leased storage at Montreal and bought 15 million gallons of gasoline from Roumania. He confessed he became embroiled in gasoline wars, "until we were selling at retail as low as five cents, plus tax."

His method of selling direct to the public and the large volume of business, he said, gave him a profit, while the combined major companies lost millions. In July, 1932, the United States Congress passed a law putting a tariff of 2½ cents a gallon on imported gasoline, preventing him making further imports.

Sold for $1,400,000

Ownership of Sunny Service was sold late in 1932 to Davis Gasoline Co. Mr. Austin stated that Socony-Vacuum furnished 45%, Pure Oil 25%, and Sun Oil 30% of the purchase money.

Further testimony by Austin was that, also in 1932, his company contracted with Davis Gasoline Co. for 40 million gallons a year at 5½ cents below the retail price in Detroit for "Red Crown," a standard grade. As there was still six million gallons of Roumanian gasoline on hand, purchases were not made until June, 1933. The Davis contract, Mr. Austin stated, was transferred so that Sunny Service had a direct contract with Pure Oil. A sub-contract was made by Pure Oil, he said, with Standard Oil Co. of Indiana. During 1933, said Mr. Austin, he bought gasoline under the contract as low as 3½ cents a gallon, plus tax. However, he said, major oil companies began to raise the retail price of gasoline in Detroit. The result, he said, was that every time the retail price went up, the price he had to pay for gasoline under the contract was also raised.

Mr. Austin said he discovered his contract with Pure Oil called only for purchase of regular gasoline and that he could legally buy gasoline not of regular grade from other sources. Accordingly, he said, he bought natural gasoline and unfinished gasoline, and blended them, without violating the contract. In 1934, he said, he bought only about 1,500,000 gallons from Pure Oil and obtained 16,000,000 gallons from Natural Gasoline Corp. and Globe Oil & Refining Co. In 1935, he said, he was buying benzol in New York, and by blending 20% benzol with 30% natural and 50% Michigan gasoline was producing a regular quality gas.

DIVIDEND NOTICES

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1937.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1937.

On the Common Stock, seventy-five cents (75c.) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1937.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
September 24, 1937

Anglo-Norwegian Holdings Limited

Dividend on Preferred Shares

NOTICE is hereby given that the Board of Directors of ANGLO-NORWEGIAN HOLDINGS LIMITED has declared a dividend of 3½ Canadian Dollars on each of the outstanding preferred shares of capital stock of the Company, payable on the 30th September, 1937, to Shareholders of record at the close of business on the 28th day of September, 1937, such dividend being in respect of arrears for the half-year ending on the 31st day of December, 1934.

DATED at Montreal, Canada, this 27th day of September, 1937.

By Order of the Board,
A. H. LANG,
Secretary.

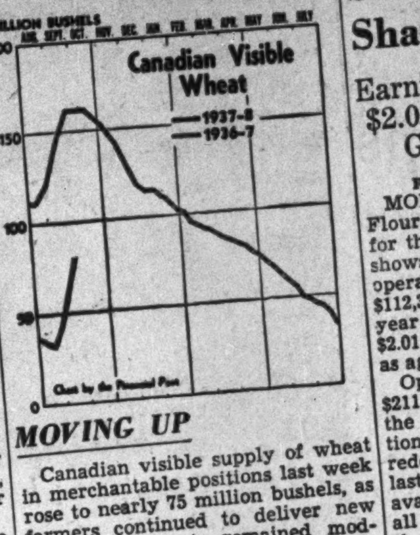
Cyanamid Plans New Preferred

May Supplement Cash Dividends With Payments in Stock

A special meeting of shareholders of American Cyanamid Co. will be held in New York, Oct. 4, to consider authorization of 2,500,000 shares of 5% (par value $10) convertible preferred. Shareholders will also be asked to increase the authorized amount of class B stock from 3 millions to 3,620,000 shares. The new preferred would be convertible at the rate of one class B share for each four shares of preferred on or before Dec. 31, 1938; one class B for 4½ shares of preferred to Dec. 31, 1940, and thereafter, one class B for each five of preferred.

In asking the shareholders to sanction the increase in capital, W. B. Bell, president, states that while the preferred stock will be used for the general purpose of the company it is felt by directors that a substantial part of the company's earnings will be to handle increase in business and for expansion of its operations. If this increase is approved the company will be able to supplement cash dividends on the common with dividends payable in preferred if deemed advisable. In this way the company will reduce its tax liability in the United States on undistributed income and yet retain the cash accumulations for corporate purposes.

It is reported that the company is preparing to add five new units for the manufacture of phthallic anhydride to its Seldon plant and Bridgeville, Pa. This will increase the total capacity from about 20,000,000 pounds per annum to about 25,000,000 pounds per annum.



MOVING UP

Canadian visible supply of wheat in merchantable positions last week rose to nearly 75 million bushels, as farmers continued to deliver new crop and exports remained moderate.

Details in bushels are as follows:

	Visible Supplies	
Sept. 24	Week Previous	Last Year
74,507,000	67,241,000	161,834,000
	Export Clearances*	
Sept. 24	Week Previous	Last Year
1,280,166	2,038,570	4,630,729

*Plus U. S. imports.

St. Lawrence Flour Shares Profits Up

Earnings on Common $2.01 as Against $1.87—Gain in Inventories

From Our Own Correspondent

MONTREAL. — St. Lawrence Flour Mills Co.'s financial statement for the year ended August 31, 1937, shows a moderate improvement in operating results, with net profit of $112,301 compared with $107,607 a year ago. This was equivalent to $2.01 a share on the common stock, as against $1.87 a year ago.

Operating profit for the year was $211,711, an increase of $1,083 over the preceding fiscal year. Elimination of fixed charges, following the redemption in the company's bonds last year, helped to increase profit available on the capital stock. After all charges, including dividends, there was a surplus on the year of $39,051 as compared with $31,424 last year.

A feature of the balance sheet is an increase in the value of inventories during the year from $354,803 to $834,666. This is largely offset by an advance in bank loans from $50,000 to $470,000. Trade accounts receivable show a moderate increase, while the surplus stands at $505,555, as against $466,504 a year ago.

A special meeting of the shareholders has been called to consider a by-law authorizing reduction of the item "goodwill" to a nominal value, and charging the balance to the no par value common shares as the final formal action to complete the simplification of the company's financial statement. At present goodwill is carried on the books at $930,224, as compared with the common stock valuation of $1.2 million.

Income and Surplus Account

	1937 $	1936 $
Net oper. profit	211,711	210,628
Less: Directors' fees	5,000	5,000
Officers' remun.	38,000	31,586
Legal fees	821	......
Depreciation	28,807	30,988
Income tax	26,782	27,808
Bond interest	......	2,426
Prem. bonds pur.	......	5,143
Net profit	112,301	107,874
Less: Pfd. dividend	40,250	40,250
Common dividend	33,000	36,000
Surplus	39,051	31,424
Previous surplus	466,504	*435,079
Surplus forward	505,555	466,503

*After deducting income tax applicable to prior years.

Working Capital

	1937 $	1936 $
Current assets	1,194,635	615,160
Current liabilities	577,314	172,241
Net working capital	517,321	442,918

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HON. RODOLPHE LEMIEUX, K.C., P.C., FRANK S. MEIGHEN, C.M.G., R. R. HUTCHISON
D. A. MacINNES Secretary
Treasurer

Week in Wheat

Hard Wheat Scarcity Favors Canadian Export

High Premiums Maintained by Demand from British Millers — Hopes Revived for Some Business Through Vancouver

From Our Own Correspondent

WINNIPEG.—Scarcity of high protein hard wheat for the European market is indicated by the continued demand in the Winnipeg market for Canadian grain at high premiums over competitors. Although Russia continues to ship considerable quantities, reports from Liverpool indicate that British millers find it too weak to be a satisfactory strengthener for the soft wheats they employ in bulk.

The fact that the demand is from millers and not speculators is indicated by the high premiums for cash wheat prevailing over the futures, especially the more distant ones. The extent of business done would be small in a year of good crops, but is regarded as good under this year's conditions.

Even Vancouver has been able to work a small amount of volume, but it is assumed that sales made have either been of distress wheat, or to fill freight space unexpectedly vacant. The change, however, is putting new heart into the Vancouver trade, and encouraging shippers to believe that it may yet be possible to draw some new wheat to that port for export.

Liverpool stresses the cost of ocean freights from all wheat exporting countries, and attributes currently rising prices to that condition, assuming that increased shipping costs are at the expense of importers.

As the season advances in Argentina estimates are now general that 200 million bushels of wheat may be produced, in spite of adverse conditions experienced in some areas. Total southern hemisphere production is expected to be not far short of last year.

U. S. Strikes Resistance

Canadian business seems to be benefitting from the long absence of United States wheats from foreign markets. Reopening of channels has proved difficult. One example of this is the reluctance of British buyers to buy on the basis of United States inspection certificates, and to demand sample trading. Even so far as Canadian wheat is concerned there has always been an element of the British trade that wanted to give up buying on the basis of Canadian certificate. Now that United States certificates have been out of the British market for some time, there is a determined effort to prevent them being re-established.

• • •

Corn Cuts in

Corn is the world's great grain for livestock feeding, as wheat is the pre-eminent bread cereal. Some wheat is fed to livestock, as some corn is consumed for human food. But competition between the two grains is usually considered to be confined to wheat that is either actually fed to livestock, or that might be fed if the price relation between it and corn should alter slightly. Increased competition, however, is now beginning in the enforced use in Germany of a percentage of corn meal in flour, and there are reports that Italy intends to enforce a similar admixture, to the extent of 10% or so.

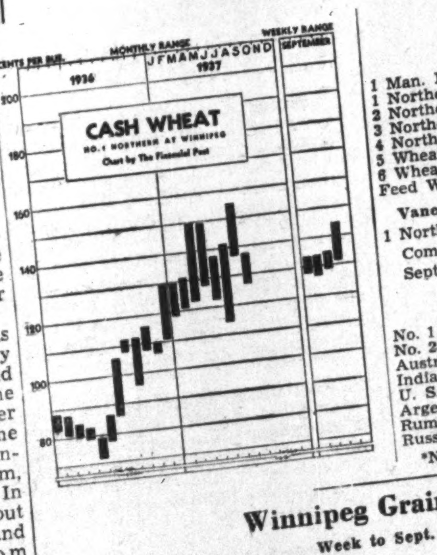
• • •

U. S. Exports Small

One of the most interesting phases of the market during the past two months has been the failure of the United States to sell more wheat in view of the fact that prices in that country have been at wide discounts under Canadian. Canadian wheat has continued to go into export channels, at a small rate to be sure, but still at a rate sufficiently rapid to absorb this season, all the wheat Canada has for sale.

Overseas observers explain the situation by saying that United States wheat is not cheap enough to be used for the bulk of the English millers' flour, nor sufficiently strong to be used as the strengthening element. The import duty of six cents a bushel is, of course, an important factor in establishing the price situation.

Wheat Prices



(Cash Quotations)

	For Week Sept. 28 High	For Week Sept. 28 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.44¾	1.33	1.34½	1.30⅛
1 Northern	1.44¾	1.32½	1.34	1.29⅝
2 Northern	1.40¾	1.29½	1.30¼	1.25⅞
3 Northern	1.27¼	1.20½	1.22	1.18⅞
4 Northern	1.20¾	1.14½	1.16½	1.12⅞
5 Wheat	1.14¾	1.10⅛	1.12¾	1.09⅛
6 Wheat	1.02¾	.96⅛	.98¾	.94⅛
Feed Wheat	.88¾	.84⅛	.89¾	.85⅛
Vancouver: Week to Sept. 27:				
1 Northern	1.29⅝	1.25⅞	1.24¾	1.22⅝

Competitive Export Prices:
Sept.-Oct. shipments:

	Week to Sept. 28 High	Week to Sept. 28 Low
No. 1 North. (Atlan.)	1.70⅞	1.59¼
No. 2 North. (Atlan.)	1.67	1.55⅝
Australian	1.42¼	1.36⅞
Indian (new crop)	1.35⅝	1.33¾
U. S. Hard Winters	1.36⅞	1.33¾
Argentine (Rosafe)*	1.29⅛	1.22¼
Rumanian	1.22¼	1.19
Russian	1.27⅝	1.25¼

*New crop, Jan.-Feb.

Winnipeg Grain Futures

Week to Sept. 28, 1937

	Crop year from Aug. 1, 1937 High	Crop year from Aug. 1, 1937 Low	Close Sept. 22	High for week	Low for week	Close Sept. 28
Wheat						
Oct.	1.33⅜	1.20¾	1.26⅞	1.33⅜	1.26¾	1.32¾
Dec.	1.29½	1.17⅜	1.23⅜	1.28⅜	1.22⅝	1.27½
May	1.30¾	1.19¼	1.24½	1.27½	1.23⅜	1.26⅜
Nov.	1.32¾	1.22⅜	1.26⅞	1.32¾	1.26⅛	1.32¼
Oats						
Oct.	.55¾	.43¾	.53⅞	.55¾	.52⅞	.53⅜
Dec.	.51⅝	.40¼	.50	.51⅝	.49⅜	.50¾
May	.51	.42½	.49¼	.51	.48¾	.49¾
Barley						
Oct.	.64¾	.54¾	.61½	.64¾	.61¼	.63½
Dec.	.61⅜	.52½	.58⅝	.61⅜	.58½	.60⅝
May	.60⅞	.53¼	.57½	.60⅞	.57½	.60
Flax						
Oct.	1.80¾	1.72¾	1.75	1.77⅞	1.74½	1.77½
Dec.	1.80¼	1.72	....	1.78½	1.74⅞	1.78
May	1.81½	1.75½	1.78	1.81	1.77¼	1.80⅝
Rye						
Oct.	.96½	.83	.90⅝	.96½	.89¾	.94⅛
Dec.	.95	.80⅝	.89⅛	.95	.88⅝	.94½
May	.95½	.82	.89⅝	.95¼	.89⅝	.94⅝

Paton Manufacturing Co. Plans Plant Expansion

From Our Own Correspondent

MONTREAL.—Paton Manufacturing Co., Sherbrooke textile concern, plans an addition to its plant to cost $150,000. The new building will be used for finishing purposes and is expected to increase the efficiency of production.

Construction of the addition is to commence immediately and it is expected that it will be completed early in 1938.

Week in Mining

Prospects Suffer Most During Market Slumps

Market Values of This Group Off 43% as Compared With 12% in Senior Golds

While often lumped together as one entity in the public mind, the mining market is subject to several sharp groupings, a fact which is of considerable importance in such markets as the present one. For example, the various groups, base metals, senior golds, junior golds and prospects have not by any means reacted in unity to the current selling wave.

Between the end of February and the end of August, the market value of all groups on various Canadian changes dropped sharply, but by varying amounts. A computation of comparative values at the two dates shows that the prospect class of mining stock has suffered to a far greater extent than any of the others. This computation shows that total market value of base metal stocks listed on The Toronto Stock Exchange fell some 12% in this period; senior golds fell 17%; junior golds 32%, and prospects as much as 43%. This, of course, indicates that the prospects, and, to a less extent, the junior golds were the most vulnerable at the time the market was at its peak. A plethora of new issues which during the period of the boom are estimated to have totalled 200 million new shares, sapped public financing dry. Only a small percentage of these new issues will ever make mines, and of these, by no means all were sufficiently financed by the time the inevitable reaction occurred.

Senior Golds Less Vulnerable

Since the senior gold stocks have lost less ground than the prospects, and the junior gold stocks, it is being argued by market observers that they will more easily regain what they have lost, and they are expected to take the lead when, as and if, the recovery move starts.

Conversely, the prospects, which have suffered the most are expected to be slower in recovering from the present slump, and it would take a wave of the most blatant enthusiasm to put them back, as a class, where they were six months ago, apart altogether from whether or not such a development would be desirable.

* * *

Dome's New Dividend

Dome Mines, Porcupine producer, has cemented its $4 per year payment by announcing that the dividend rate has been increased to $1 per quarter. Previously, this company has paid 50 cents per quarter, with a $2 bonus in July. From now on, the company announces, dividends will be paid quarterly at such rate as profits will permit. Directors state that they expect to be able to maintain the $1 quarterly rate.

To date, and including the $1 to be paid Oct. 20 this company has distributed $33,899,624 in dividends.

* * *

Where Dividends Go

The healthy growth of Canadian mining dividends is recorded in another column. It would, of course, be extremely interesting were one able to determine where this tremendous sum of money will go this year. In recent years it has been claimed that more money proportionately, has entered Canadian mining from United States than formerly. On Dec. 31, 1936, United States investors had a stake of $224 millions in Canadian mines.

The most recent authentic estimate of where Canadian mining dividends go is that supplied by the Dominion Bureau of Statistics, covering the year 1935, and quoted by the Dominion statistician, R. H. Coats, in Vancouver recently. In that year dividends totalled $56 millions, as compared with the $97 millions estimated for 1937. Of the $56 millions, the bureau estimates, $29 millions went to Canadian investors, $23 millions to United States, and $3.9 millions went to other countries, including the United Kingdom.

These figures indicate that as recently as two years ago, Canadians still "controlled" the Canadian mining industry. Whether, as some claim, the picture has now altered will not be known for some time.

* * *

Index to Mining Stocks

Prices of mining issues drifted lower in the first part of the week ended Sept. 23, although movements on Canadian markets were relatively narrow. Three days of recessions were followed by a rally on Sept. 21 and 22 but on the last day of trading these modest gains were completely wiped out for the gold stocks, although advances in the base metals were partly retained. Volume of sales showed a pronounced reduction. Despite a net loss of 6.2 points for daily indexes the general weekly average of 24 mining issues, prepared by the Dominion Bureau of Statistics, mounted from 126.3 to 127.9 between the weeks of Sept. 16 and 23 with the gold stocks rising 3.1 to 104.2 and the base metals losing 5.3 to 224.3.

Normetal Mining Corp. Issues Additional Stock

From Our Own Correspondent

MONTREAL. — Normetal Mining Corp. advises the Montreal Curb Market that 48,000 shares of treasury stock have been issued at 75 cents a share under the terms of the underwriting agreement. The issued capital now stands at 3,501,118 shares, with 256,362 shares remaining underwritten at 75 cents a share.

SHIPPING ORE AND CONCENTRATES

Waite Amulet Mines, which owns the consolidated Waite and Amulet properties in the Rouyn district of Quebec, has started shipping between 100 and 130 tons of ore per day from the Waite property directly to the smelter at Noranda. This ore is averaging between 13 and 14% copper. The concentrator on the Amulet property, shown above, is operating at 350 tons per day, the concentrate being delivered to the Noranda smelter. The company is launching an extensive diamond drilling programme on areas of the property where promising showings have been obtained.

News Concentrates

Triple Lake Porcupine, in diamond drilling from the bottom of the shaft on its McArthur twp. property in Porcupine area, has cut another zone similar to that encountered while originally sinking the shaft on the main vein, according to C. A. Ordway, consultant.

* * *

Cobagold Mine reports that arrangements are being made to explore the six claims adjoining the McFarlane Long Lac property nine miles north of Long Lac. At the same time the nine claims of the Cobagold mines recently acquired in the Kowkash area will be further examined. The company, in addition, has three claims in Cobalt and 14 claims in the southwestern part of Night Hawk Lake in the Porcupine mining district, just west of Porcupine MacNabb.

* * *

Lake Rowan Gold advises that good progress is being made in shaft sinking from the tunnel run through Discovery Hill about 80 ft. from surface. It is expected that by the middle of December the shaft will be down 200 ft. below the tunnel level, at which depth a crosscut will be run out and the ore body explored. An average width of 36 in. was exposed over length of 600 ft. in tunnel work at this Red Lake property; average values are reported at $15-$16 per ton. The vein extends 500-600 ft. east of the mouth of the Discovery Hill tunnel, recent surface work and diamond drilling indicate and a second vein was recently picked up.

* * *

Algold Mines reports that millheads have been showing steady improvement at its Goudreau property because inclusion of lower grade material, coming from surface development of the east pit will be discontinued and all millfeed henceforth drawn from the west ore body. A high-grade section is currently being opened in stoping in this ore body.

* * *

Century Mining Corp. with holdings at Elbow Lake, Manitoba, will hold up underground development during the freeze-up but deepen the shaft and establish two additional levels as soon as aeroplane service is resumed, it is announced by A. D. MacPherson, president.

* * *

Chromium Mining & Smelting Corp. Queried by The Post regarding development, R. O. Denman, vice-president of this corporation, stated that a detailed report covering operations is in the hands of the printer, and will be released in the next few days.

* * *

Freegold Mines in Launay twp., Quebec, reports that lateral work on the first level is proceeding steadily. Crosscutting on the 125-ft. level west of the shaft is being done to explore sections previously cut in No. 5 drill hole. It is reported that drifting on this level indicated an ore shoot 60 ft. long and six ft. wide, which returned good values.

* * *

Goldbanks Mines reports that uncovering of the new north vein by D. Duffy, superintendent, strengthens the belief that a series of gold-bearing veins crosses the property in the west Kirkland Lake area. One 8-in. core from No. 7 hole returned values of $26.95, 75 ft. down. Shallow holes have been sunk at intervals over length of 1,700 feet. Company reports that negotiations are under way for financing further operations.

* * *

Halliwell Gold Mines advises shareholders in a progress report that crosscut 301 has been pushed out from main drift for 185 ft., with crosscut 303 pushed out for 120 ft. Hailliwell plans to carry these crosscuts to 250 ft., from which point exploratory diamond drill holes will be fanned out to check previous drilling from surface.

* * *

Kirwin Gold Mines holding four claims in Teck twp., Kirkland Lake area of Ontario, announces that it has arranged for new finances with which to continue development. Work will include diamond drilling and erection of additional buildings for accommodation of employees.

* * *

MacFarlane Long Lac holding nine claims in Little Long Lac area of Ontario, now has shaft down to 75 ft., with free gold still visible. Ore body with visible gold showing was encountered in shaft 25 ft. down. Shaft has since been penetrating this vein and it is expected that it will continue in vein to a depth of at least 132 ft., where diamond drill indicated $52 ore.

* * *

Mosher Long Lac Gold announces that from June, 1936, to Aug., 1937, 27,158 ft. of drilling was done on property. This has been stopped pending consideration by directors of report submitted by W. Samuel, consulting geologist. Company reports it has about $150,000 in its treasury or in liquid assets. 800,000 unissued shares are available for future financing if required, and 300,000 of these are under option.

* * *

West Side Long Lac Mines is advised in an engineer's report that further surface exploration should be carried out on groups Nos. 2 and 3 in Long Lac area and that No. 4 group merits sinking of a shaft, a porphyry dyke, cut by numerous quartz veins, having been uncovered and trenched for about 340 ft. to date. On the No. 3 group a well mineralized fissure vein has been disclosed for 180 ft. The company will do no further work for present on its No. 1 group of three claims, though it is reported that area is favorable for deposition of gold.

* * *

Williamson Mines has discontinued work on its original holdings in Porcupine area and secured a working option on Champagne Mining Syndicate's property in Champagne twp., Sudbury district. Deal under which option was secured calls for payment of 50,000 shares of Williamson Mines to Syndicate after 30 days and an additional 450,000 shares at the expiration of six months. If completed, the deal will give Williamson complete ownership.

* * *

Altura Gold Mines in Red Lake area, will stop operations at the end of September. Further exploratory work may be done on the property next spring. In the meantime, market conditions hamper the raising of additional funds.

* * *

Skynner Lake Gold, with holdings in Delora twp., Porcupine area, is arranging to construct permanent camps for the winter programme of diamond drilling and mining. A strong structure has been opened on the south shore of Skynner Lake, with an altered quartz carbonate being uncovered which is four feet wide and well mineralized, says a report by Hamlin B. Hatch, geologist. The showing, in his opinion, is identical with vein structures which make ore on the Delnite on the east and Naybob to the west.

* * *

Wales Red Lake Gold Synd. has to date traced the vein on its property for over 1,500 feet and reports that width is over 15 feet, the south wall not having yet been reached. Break is protected by two claims on the east for a total possible additional length of about 2,400 feet.

Jacola Gets Good Showing

Exploratory Crosscut Intersects High-grade Quartz Section

Shareholders of Jacola Mines, successor to Greene Stabell Mines in the Siscoe-Lamaque area of Quebec, are concentrating these days on the 1,000-ft. level, whereon has been located the most hopeful development since John E. Hammell decided to give the property another chance.

The 1,000-ft. level was initially started as a long, north-south, exploratory crosscut along the contact zone, to probe what was believed to be a long fairly narrow favorable area. It was planned to drill lateral holes from this crosscut at regular intervals, as the most economical way of thoroughly exploring the area. In driving this crosscut a series of quartz stringers was intersected about 170 ft. from the shaft, and drifting east and west on these showings was started.

The drift east, pushed out about 125 ft., brought in the vein continuously, although values were erratic, a typical condition in this area, and typical of all areas where free gold is found. Whether this is commercial ore or not has not yet been determined. The new find, however, which has made the stock of Jacola one of the strong points in the market, is of a high-grade nature, and while officials of the company are cautious in jumping to conclusions about values, owing to presence of free gold, an estimate of $30 in gold values was supplied The Financial Post by an official.

Recent work has indicated that the quartz split into two sections, each about two or three feet in width. It is possible that these sections join again further along.

Owing to the fact that the next upper level is 400 ft. above the present development it is not yet determined whether the new development is a downward continuation of other bodies.

Main significance of the new development at Jacola is that it goes far toward justifying the theory of the management as to the distribution of the ore bodies, and the presence of favorable values. It will, of course, be necessary to prove tonnage.

Test Iron Ore On Moose Mt.

From Our Own Correspondent

SUDBURY.—Work now proceeding in preparing shipment of 60 tons of iron ore from the Moose Mountain mine at Sellwood, for test purposes, will be completed within a week's time, it is expected. G. B. Hunner, mining engineer, and A. E. Walker, geologist, of Iron River, Michigan, in charge of the work, were in Sudbury recently and explained that the men engaged are taking representative samples from surface at many points on the property, and that the shipment will be sent to a United States laboratory for analysis for iron content.

Sponsors, understood to be a Cleveland company, have been inspired to make the tests as result of the recently granted bounty of two cents per unit of newly-mined iron ore by the Ontario Government.

Calmont Oils Shows Profit

Company Finances Improved by Developments in Turner

Conversion of a former deficit into a net profit was achieved by Calmont Oils which represents British capital in Turner Valley, annual report of the company for the fiscal year ended May 31 shows. Marked improvement in income from investments, as well as in income from tool rentals, accounted for the changed earnings picture of this company.

Satisfactory improvement in the company's balance sheet is also noticeable. Current assets at the end of May last amounted to $74,031, against current liabilities of $18,508, leaving working capital of $55,523. At the end of the 1936 fiscal period, working capital was $10,511.

Market value of the company's investments at the end of May was estimated at $263,259, an increase of $183,224 over the estimated value a year previous.

In a recent letter to The Financial Post, clarifying the interests of this company, the secretary listed the following producing wells in which the company is interested:

Producing Wells

	% Royalty
Turner Valley Royalties	6
Westside Royalties	13
B. & B. Royalties	15
Sovereign Royalties	12
Newfold Royalties	5
Drilling Wells	
Commoil Ltd. No. 1	50,000 shs.
Royal Crest Pete. No. 1	25,000
Three Point Pete. No. 1	25,000
Mar-Jon Oil Co. No. 3	7%
Vulcan-Brown	10%
Brown No. 3	20%

In addition to the above, the company has extensive acreage throughout Alberta, and share interest in Hunter Valley Oil Co., Home Oil (Brazeau) Ltd. and Spindletop Oils Ltd.

Profit and loss account for the two fiscal years 1936 and 1937 follow:

Profit and Loss Account
Years Ended May 31

	1937 $	1936— $
Tool rental	74,499	7,629
House rental	970	765
Inc. from invests.	43,585	2,294
Inc. from royalties	1,113	11,393
Miscellaneous	......	91
Gross income	120,167	22,172
Less:		
Field expenses:		
Deprec. drill pipe, camp bldgs.	26,354	2,812
Other field exps.	9,126	6,022
Gen. & admin. exps.	14,659	10,196
Other charges:		
Deprec. of drill. equip.	25,663	21,751
Invent.—repairs & replace.	8,967	891
Invest., w/o	......	963
W/o roads and trenches	......	528
Income taxes	6,500	......
Add: Prof. on sale of equip.	......	425
Net profit	28,898	†20,566
Less: Prev. deficit	‡282,546	*1,208,187
Seneca lease w/o	......	40,034
Add: Adjust. for depr.	87,179	......
Deficit forward	166,469	1,268,787
Earnings per Share	$0.01	nil
Shares Outstanding	2,137,198	2,105,915

†Deficit. *Adjusted. ‡After transfer of $986,241 to capital surplus acct.

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Channel Mining Syndicate has been formed to acquire and develop six claims in the Woman Lake area, Patricia district of Ontario. In previous work, two veins were located 1½ feet apart on the northern portion of the property. One was 2-3 and the other 2-6 feet wide, both stripped for approximately 150 feet. After eliminating all visible gold, assays ranging from 70 cents to $24.50 were obtained.

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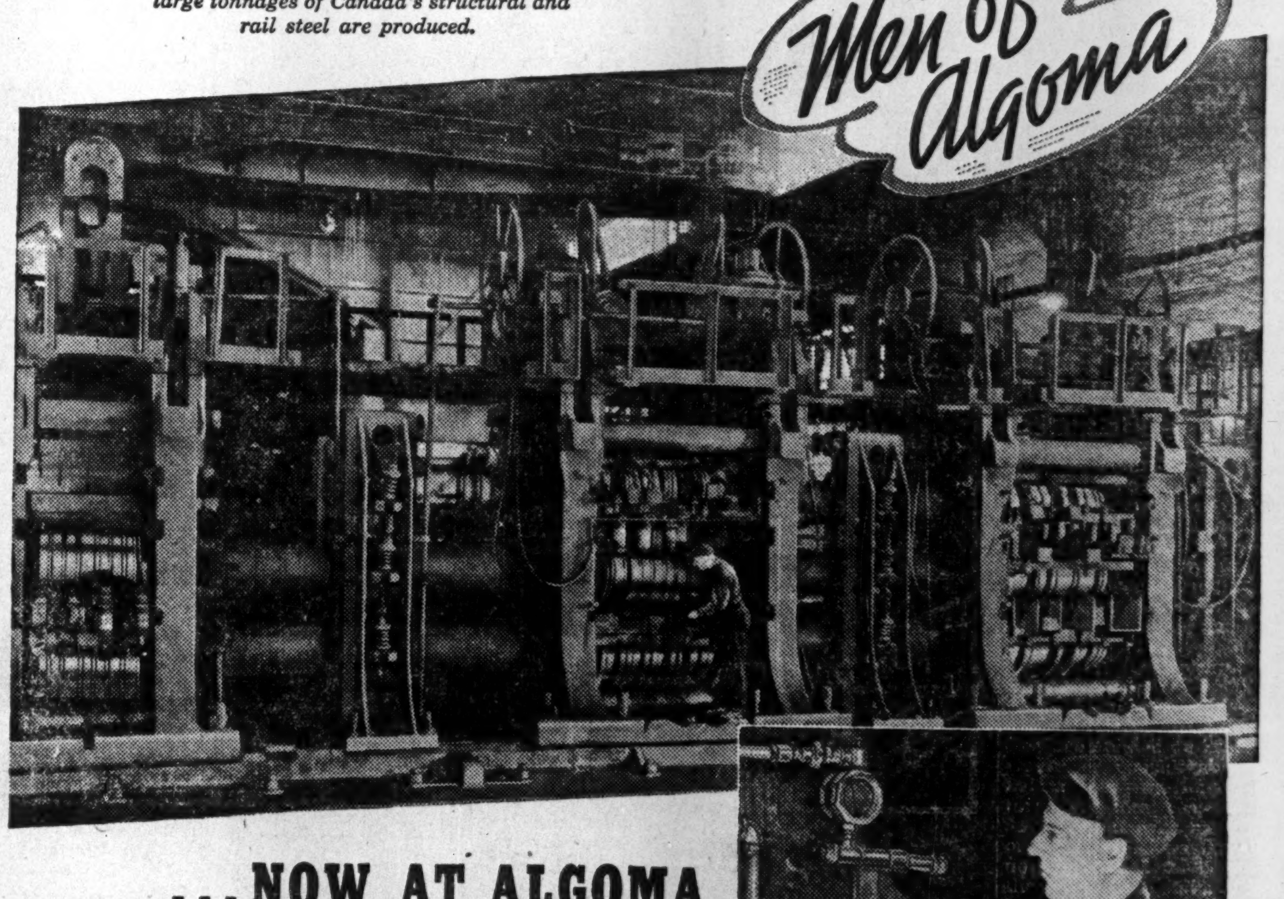

TOM McCRACKEN
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Armistice Gold Mines has authorized its resident engineer, J. C. Honsberger, to carry on surface and trenching work in the north section of the holdings, lying north to northwest of Kerr-Addison in Larder Lake area of Ontario.

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A $600 Millions Change of Heart

Paper loss on four base metal stocks, yet each company shows best year in history

By WILFRID SANDERS
Mining Editor, The Financial Post

Since enthusiasm for base metal stocks reached its high mark in March and February of this year, John Public has tangibly demonstrated his change of heart by lopping off a cool $600 million dollars from the market value of International Nickel, Noranda, Hudson Bay Mining & Smelting Co., and Consolidated Mining & Smelting Co., a quartet of representative metal producers.

Market valuation of International Nickel has dropped from a high in March of $73.25 to a low a few days ago of $49.50, a total loss on the basis of issue shares of $336 millions.

Noranda shares have dropped from $83 in February to a low of $48, for a loss of $78,392,000.

Hudson Bay reached $41.75 a share in February, but slumped back to $21 a share in the last slide, representing a reduction in market valuation of over $57 millions.

Consolidated Smelters went as high as $100.50 in March, and fell off to $57 per share, representing a write-off of some $142 millions.

Further evidence of the serious change in attitude toward these stocks is contained in the fact that the index of the Toronto Stock Exchange, covering miscellaneous mines, most of which are base metals, fell from a 1937 high of 215.36 to a current figure of around 124, thereby losing practically all the ground gained this year, and putting the index back fairly close to the 1936 low of 123.59.

That the writing off of some $600 millions from the market value of four issues alone, and a drop of 91 points in the Exchange's index, reflects a tremendous disturbance, is obvious. That this disturbance is largely psychological is apparent in the fact that the four companies above mentioned are just about to close the best year in their respective histories.

It is common knowledge that the decline in the market for such stocks as these is the result of a combination of factors. Fears as to the future of gold prices was a prime cause. Labor trouble was another. Uncertainties as to the future of copper helped, as it was felt that armament manufacture, theoretically a non-recurring market, has been and is at present a major support to the improved statistical position of this metal. The fact that in February and March of this year prices were carried by the general market enthusiasm to levels not justified by current earnings had to be eventually rectified. Finally, as regards base metals, experience has shown that such stocks inevitably fluctuate in sympathy with the general market.

All these things have their bearing on the market today. To attempt to discuss their validity here would be beyond the scope of this article, which is merely an attempt to glance at the current physical position of these four metal producers, making, at the same time, a courtesy bow to the potent yet, after all potential, forces mentioned in the previous paragraph.

International Nickel

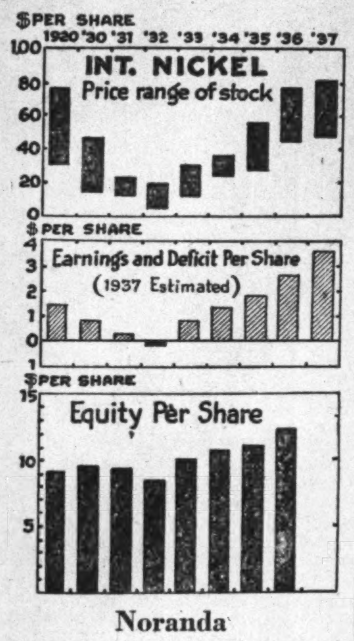
Take, as a start, International Nickel Co.

This company is now going about its main job of mining nickel at a greater tempo than ever before. Nickel exports for the first eight months of this year were valued at $37,139,599, which was greater than the total for the whole of 1935, and almost as large as for the first 11 months of last year. The company is producing nickel today at a rate of about 18 million pounds per month, a new monthly peak. Earnings for the first half of this year are equivalent to $1.71 per share, as against $1.13 in the first six months of 1936. This gain was made in a period when some of the company's best customers, namely the automobile manufacturers and steel makers in United States, were being handicapped by strikes. With the labor trouble across the border apparently on the wane, it is expected that third- and fourth-quarter earnings will be on a higher level than the first half of the year, with the result that per share earnings of beween $3.50 and $4 per share seem quite feasible, as against earnings of $2.40 per share last year. Nickel is paying this year regular dividends of $2 per share as against $1.30 last year, which, at current prices, gives it a yield of about 4%.

Always a Popular Stock

In addition to nickel, for which it obtains a steady price of around 35 cents a pound, the company is a large producer of copper, for which it is this year obtaining a better price than last.

Always a popular stock, Nickel feels, perhaps more than most stocks, the accumulated impetus of a market boom, with the result that the price frequently gets to a higher level than can be justified by actual earnings and tangible prospects. That such a level was reached in March of this year is the opinion of many. At today's prices, this situation appears to be well adjusted.



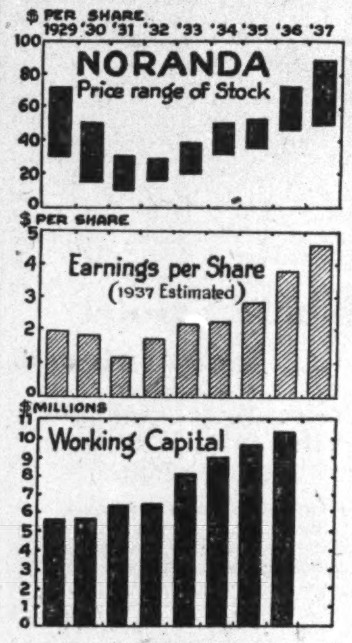
Noranda

Noranda stock has lost by as much as $35 a share since the boom days of February. The fact that this company enjoys tremendous advantages in the dual nature of its output and the flexibility of its ore is well known. Thus at times of high gold prices and low copper prices, such as prevailed during the depression, the company is able to increase its gold production and lower the rate of its copper output. This dual advantage, however, has its less favorable side from the market point of view. For example, Noranda stock was classified as a gold stock by the public during the recent gold scare and suffered accordingly. Today, when the market is suffering from fears as to the future trend of the recovery curve, Noranda stock again finds itself swamped by the general selling wave.

Here again, however, psychological factors appear to be calling the market tune, as Noranda Mines itself is enjoying one of the most prosperous periods in its history. Earnings for this year will undoubtedly set a new record, as evidenced by six months' earnings of $2.24 per share, against $1.87 in the first half of 1936. At this rate, Noranda will earn somewhere in the neighborhood of $4.50 per share, as compared with $4.14 last year.

Quarterly reports issued to date show that this increased earning power is the combined result of greater output and higher prices for copper. While the outlook for copper is uncertain, and is not believed to be quite as bright as it was earlier this year, the general feeling, based upon estimated world demand and present statistical position of the red metal, is bullish.

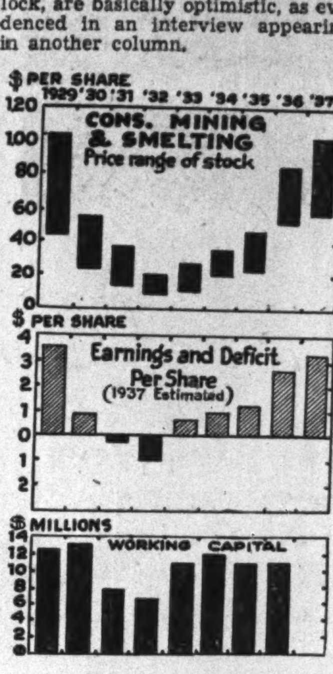
Noranda pays its dividend twice a year, in June and December, although no official time has been specified. In June of this year, the company paid $1.75 as against $1.25 in June of last year. Another payment is due in December, and is expected to be around $2, although this is an estimate only. If it is a correct one, Noranda will this year have paid a total of $3.75 per share, giving it a yield at present prices of around 7½%. From an ore and cash reserve situation, the company has never been in a better condition. The fact that this company has met with considerable success in its outside exploratory ventures should not be overlooked. Notable among these successes is the Pamour Porcupine operation, which should soon furnish Noranda with considerable income.



Consolidated M. & S.

Consolidated Mining & Smelting also fits into the "best year yet" classification. The company, which is one of the largest producers of lead and zinc in the world, has, of course, profited from the higher prices prevailing for these metals. On its new $5 par value stock, Smelters last year earned a net profit of $2.13 per share, and paid $2 in dividends. Since its half-yearly payment has this year been $1.50, the payment due in December is expected to bring the 1937 payments to around $3 per share. Estimating earnings of this gigantic operation is always a tricky business. Based on quarterly production figures, however, a material increase in earnings this year seems inevitable. This company, which is 51.6% owned by the Canadian Pacific Railways, has spent large sums in seeking outside mining operations, and at last appears to be on the verge of getting some return back. At Goldfields, in Saskatchewan, in the Northwest Territories, and at the Big Missouri operation, indications of revenue producers are plentiful, with the result that Smelters' income should soon be augmented by these operations.

While the outlook for lead and zinc is uncertain, the views of the company's practical general manager at Trail, Dr. Selwyn G. Blaylock, are basically optimistic, as evidenced in an interview appearing in another column.

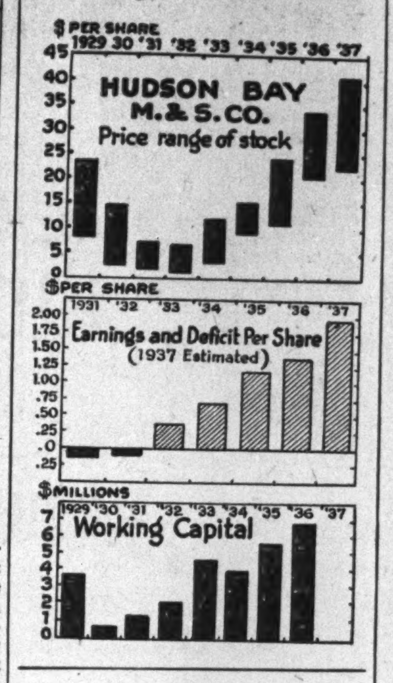


Hudson Bay

While on a smaller scale, the earnings of Hudson Bay Mining & Smelting Co., operating the large copper-zinc deposit at Flin Flon in northern Manitoba and Saskatchewan, has also benefitted from better metal prices, with the result that this year's earnings are expected to be out in front of the other years of the company's comparatively brief career.

Hudson Bay paid its first initial dividend in August, 1935. In 1936, the company paid $1 in dividends. Dividends of this company are still on an interim basis, but in June of this year, the company paid 75 cents, as against 50 cents in June, 1936, indicating that a yearly payment of at least $1.50, as against $1 in 1936, might be expected with the December payment.

This year, the company will be treating a slightly higher grade of copper, as the operations of the open pit are curtailed, and more ore is obtained from underground. This increase in grade may, however, be largely offset by the increased cost of mining the underground ore, as compared with the low-cost open-pit mining. The company, of course, is obtaining a generally higher price for its copper this year than last. In the past few years, this company has been adding about $1 million per year to its working capital. Per share earnings of between $1.50 and $2 seem logical in 1937.



Arvent Mines Formed For United Properties

Amalgamation of 63 claims adjoining Waite Amulet in the Rouyn area of Quebec have been negotiated, The Financial Post learns on reliable authority. A new company, Arvent Mines Ltd., has been formed to hold and develop this property. Of the 63 claims, 46 have been contributed to the amalgamation by Ventures Ltd., 10 by Young Shannon, five by Area Mines and two by James G. McGregor. 100,000 shares of Arvent have been purchased by Ventures and a similar amount by Area Mines at 15 cents a share, J. M. R. Corbet, president of Area informs The Post. In addition both companies have taken options on 400,000 shares at a higher price. Area Mines received 350,000 shares in Arvent for its property.

New Ball Mill For Bralorne

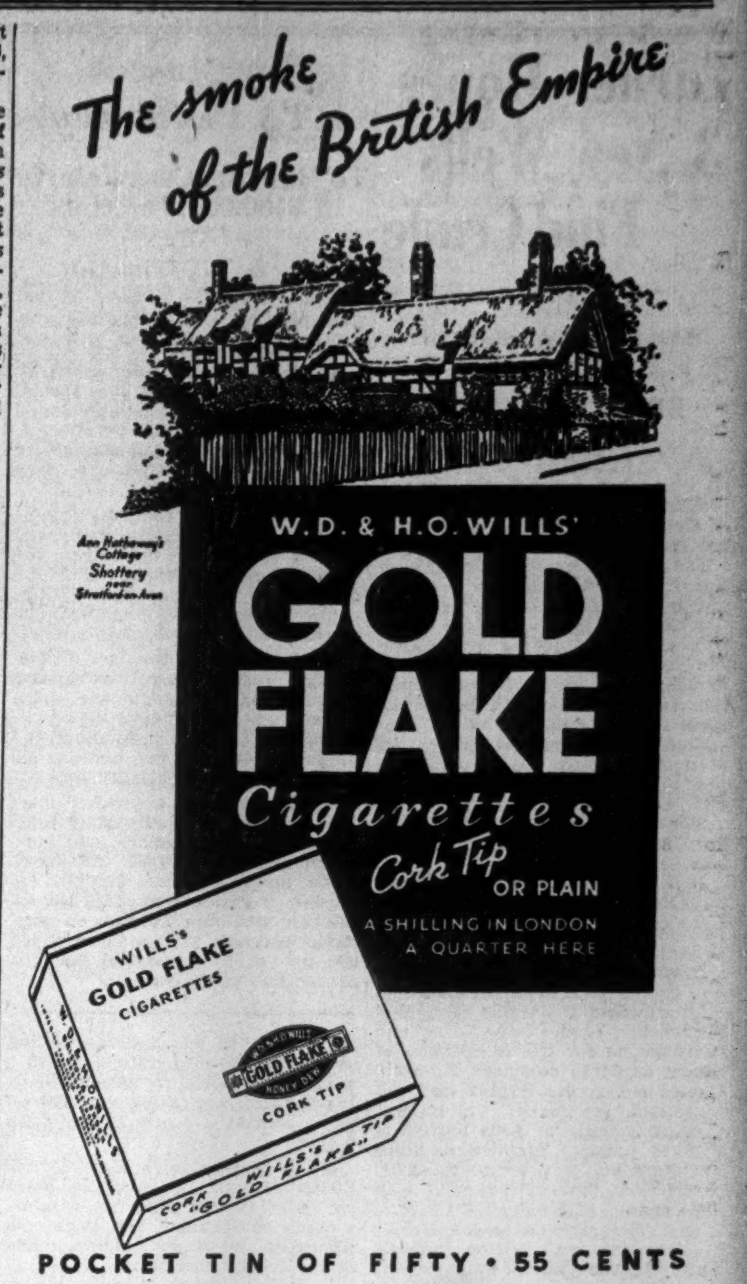
From Our Own Correspondent

VANCOUVER. — Bralorne Gold Mines in Bridge River area, now has its new ball mill extension in operation, adding 75 tons to the daily mill capacity. The mill is now capable of handling 550 tons a day, but at present is not being put under full pressure.

Bralorne is concentrating on development of the 1,400-ft. level in the King mine and on the tenth in the Empire, with additional workings in other veins.

Pioneer mill's capacity is 400 tons and it is running at slightly below maximum. About one third of the ore being crushed is from development, the high grade being separated and treated by the amalgam process. Some of the other higher grade ore is used for sweetening lean spots so that the heads are kept to a steady average.

Pioner is operating three shafts. No. 1 goes to the fifth level, No. 2 to the 26th and No. 3, the most recent, to the 14th.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Good Lengths, Values On New Ribago Ground

A surface showing with an indicated length of 1,400 ft., and an established length of 700 ft. at the property of New Ribago Mines in the Rouyn district of Quebec has been partially opened, The Financial Post is informed, and, while officials of both companies refuse to confirm it, has led to a report that Noranda is interested in the property.

Work on the showing has been concentrated on the easterly 700 ft. To the west, heavy overburden has hampered continuous development on surface, although what appears to be a continuation of the showing has been picked up 1,400 ft, to the west. Values on the easterly section run between 4.6% and 7.10% copper, The Post is informed, with gold values of between 70 cents and $2.80. Average width in this section is estimated to be 8 ft.

Kewagama Assays

While exploration to date has not resulted in the discovery of commercial ore bodies, good assays have been obtained at a number of places, E. V. Neelands, general manager of Kewagama Gold Mines, reports.

During the period from May 1 to Aug. 31, underground development was carried on on four levels, while two diamond drill holes were put down from surface to guide the work. Hole No. 8 cut a section of 1½ ft. averaging $19.50, and indications are that the above values obtain over a width of 3.5 feet.

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Cataraqui Gold Mines

I have some shares in Cataraqui Gold Mines, obtained via another company. Could you give me some information, please?

Cataraqui Gold Mines holds a gold prospect in Hastings County, Ont. It acquired the property of Gilmour Gold Mines for 800,000 shares, on the exchange basis of one new for three old shares, subject to pool. At the time the exchange was made, Cataraqui assumed a $4,000 mortgage on the former Gilmour property.

Cataraqui financing was never completed and there is no activity at the property The house sponsoring the issue and providing finances for it lost its license, and the outlook for the property is not at all bright. We know of no market for the shares.

Sunshine Oil

I shall be obliged if you will give me what information you have as to the capitalization, prospects and production (if any) of Sunsine Oil.

Sunshine Oils was incorporated with a Dominion charter in 1930 and an authorized capitalization of 2,500,000 shares no par value. We understand that practically all of this stock has been issued.

The company has stopped work on its well in the Del Bonita field in southern Alberta after disappointing results. Recently the company acquired an option on 5,100 acres in Taber field about three miles southeast of Plains Petroleum well. Under the terms of this option, the company do not have to start drilling until next March but we understand that they plan to start within a month.

With most of its stock issued, and the treasury understood to be depleted by the Del Bonita operation, it seems logical to expect that some sort of capital reorganization will be necessary before drilling can start and that preliminary financial arrangements are under way.

In the Taber fields the comparatively short distance to the producing horizon makes drilling a less costly operation than in Turner Valley and wells may be drilled for around $30,000. This proposition has once more reverted to an out-and-out speculation but one which we believe to be in secure hands. Officers of the company are: Hugh H. Reid, president; William Lyon Mackenzie, vice-president and managing director; C. E. Thomas, K. A. Edwards, F. O. Hodgson, A. G. Baalim, directors.

Eva Lake Gold

I should be glad if you would furnish me with such information as you have available on Eva Lake Gold Mines.

Eva Lake Gold Mines adjoins Northern Empire Mines in the Beardmore area of Ontario. Northern Empire is securing its production from a narrow high-grade vein. Eva Lake is acting on the assumption that this vein crosses to its ground, but no tangible evidence of this condition has been forthcoming to date. The company has not issued a financial statement and on the whole we would regard it as highly speculative.

Aldermac Copper

What is the picture at Aldermac Copper Corp. as regards earnings? I should be glad to have your comments.

Aldermac Copper Corp., in which Towagmac Exploration Co. owns a controlling interest, is a copper-sulphur proposition with property in the Rouyn mining district of Quebec, acquired from Aldermac Mines early in 1936. The property started production late in 1936, and has gradually stepped up the mill until, by the end of this month, it is expected to be handling 1,000 tons per day. Copper concentrates are being shipped to American Mining and Smelting Co. About half the product is in the form of pyrite concentrates, containing about 50% of sulphur. These pyrite concentrates are being held at the property while a pilot sulphur plant is being tuned up at Niagara Falls. Some concentrates are, of course, already being shipped to the plant.

Because of the fact that the company is virtually pioneering as far as its sulphur producing method is concerned, it is difficult to estimate what earnings will be when operations get into full swing. The general outlook for copper prices is considered to be fairly bright. The company has contracts for its sulphur output and some responsible men on its board. At the end of 1936 it had current assets of $684,800, of which $653,918 was cash while current liabilities totalled $76,577, leaving a working capital of $608,223.

While this operation must still be regarded as a speculation, it seems fairly attractive at present prices.

Harkness-Hays Gold

It has been suggested to me that I exchange my stock in Harkness-Hays Gold Mines for shares in a new company. What is your opinion of this operation?

There are several points regarding the new company, Kay-Hays Gold Mines, to be formed by Harkness-Hays Gold Mines which should be borne in mind. The underwriter, Col. P. C. McGillivray, is to receive 10% of the moneys obtained by the sale of treasury shares up to the time the underwriting agreement goes into effect. The present company, Harkness-Hays Gold Mines, owes approximately $19,000 to directors, and also about $11,000 on the mill installed on the property. The mill can be returned or the original agreement of payment out of bullion production followed. An additional $15,000 is reported to be owing to W. D. Hays for the property and this amount is to be repaid after $125,000 has been raised for work at the holdings.

You will recall that operations were suspended by the old company because ore was insufficient to warrant the erection of a mill. The veins are narrow, although it is reported that some sections gave high gold values. The previous record of this property has not been impressive, and on the basis of the above facts we would regard it as highly speculative.

New Maps of the Mines

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Turner Hopes 3 New Wells Find Crude

Share Royalties, Model-Spooner and Granville Hold Spotlight

BROWN'S ACTIVE

From Our Own Correspondent

CALGARY.—Three more crude oil wells are expected to reach the producing horizon on the week-end of Oct. 2, providing no difficulties are encountered.

The first of the group is Share Royalties, in the southwest which is 210 feet in the lime at a depth of 6,730 feet. Model - Spooner which is around 6,716 feet after striking the lime at 255 feet, also is expected to complete drilling this week, while Granville is nearing the production stage at 7,090 feet.

Considerable interest is centred around Brown No. 1 and 2 wells and Mercury 8. The Brown wells, which were completed last week, are now under production tests, while Mercury 8 started to lift its own mud last Saturday.

Drilling out the plug set in Plain's Pete No. 1 well, at Taber commenced last week-end.

Davies No. 1

Davies No. 1 well in Turner Valley, drilled to a depth of 3,608 feet with standard tools, has completed dismantling of the cable string and is preparing for the installation of rotary outfit to complete the well. Davies No. 2, the largest well yet completed in Turner Valley was flowing steadily at 1,400 barrels at 65% of possible production. Since prorating was applied to the 2,000 barrel flow, the well has held with little change at around 1,400 barrels a day. The revenue to the Davies Co. from this well will be approximately $20,000 a month at its present flow.

Drilling west of the Granville location Commoil sent the bit to a greater depth than any well yet in Turner Valley to get the lime, which was entered at 7,000 feet during the week. Drilling was discontinued at 7,020 feet and the crew was running casing last week-end to that depth.

Prairie Royalties

Prairie Royalties, which hit the lime at 6,830 feet drilled in the formation to 6,845 feet before running casing and cementing. Richland No. 2 well was reported by officials drilling and carrying casing at 5,375 feet. No. 1 is making a new hole at 2,360 feet.

Going rapidly down in the Lower Benton formation, Sunset Oils' No. 1 well just west of Monarcy, reached a depth of 5,260 feet last week-end. About 240 feet of new hole was made in the week's drilling.

Globe Royalties is drilling at 2,475 feet. The Globe site is a quarter mile west of Share Royalties. Roxana Petroleums No. 1 is drilling at approximately 3,342 feet, after doubling its gas flow around 3,300 feet. The flow of dry gas is estimated at approximately one million cubic feet daily. There is far more than enough gas for use in the boilers and a control head is to be put on the 13-inch casing. At the present its depth is around 250 feet in the Devonian.

Hedley Mascot To Pay 4 Cents

To Maintain Cash Reserve of $500,000, Directors' Aim

From Our Own Correspondent

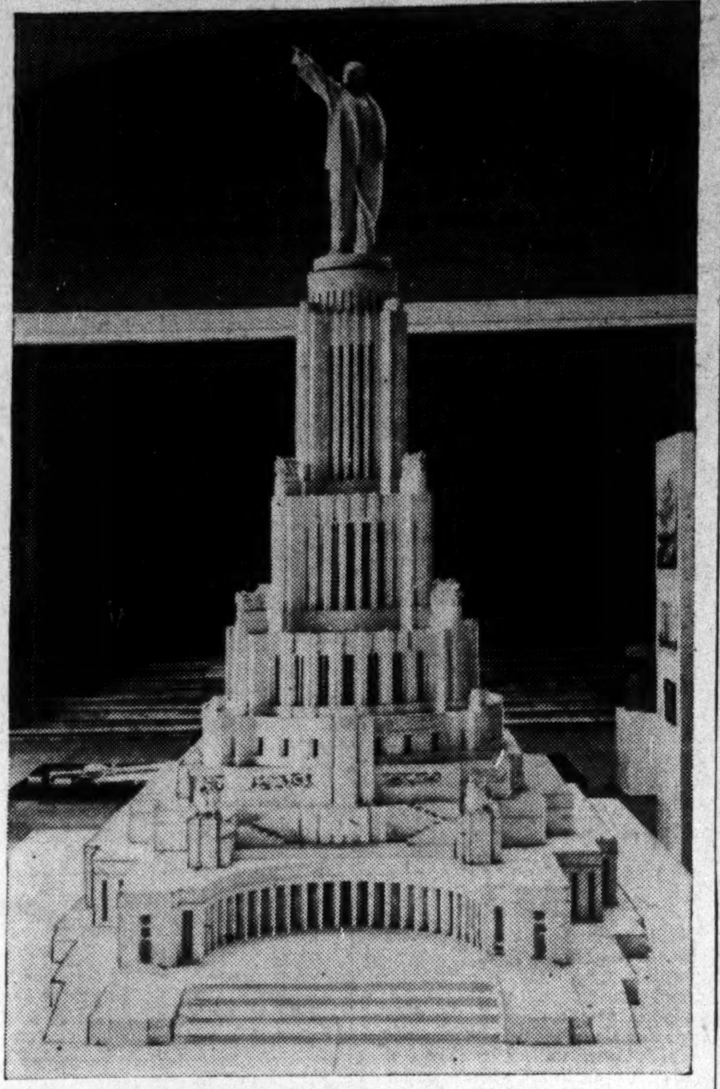
VANCOUVER. — Hedley Mascot Gold Mines has joined the ranks of the dividend payers.

Directors have declared an initial payment of three cents plus special dividend of one cent payable Jan. 1 to shareholders of record Dec. 1. Cash reserves of approximately $500,000 will be maintained, they said.

According to the company's statements, Hedley Mascot has five years ore for the 175-ton mill above the main working level. Diamond drilling to test ore possibilities below the main level is known to be meeting with considerable success.

On the basis of the last official figures Hedley Mascot is earning approximately 21 cents per share per annum, taking net profit before deductions for depreciation and depletion at $480,000 per annum and outstanding shares at 2,280,000.

When dividend payments start January 1 on the basis of 16 cents per annum, the company will have approximately $700,000 on hand made up as follows: $260,000 reported as at June 30; $200,000 received from shareholders on purchase warrants at $1 a share; $240,000 net profit estimated for the second half of the year.



MOSCOW SEEKS WORLD'S TALLEST TITLE

Foundations are being dug for the Palace of the Soviets in Moscow which is planned to top New York's tallest skyscraper. On top will be a gigantic statue of Lenin. Above is a model now on display in the Russian pavilion at the Paris Exposition.

Proud Moscow Exiles Flivvers

(Continued from page 9)

cally, as prelude to this allegedly free expression of the people's vote, any questionable opposition seems to be in the process of being systematically removed by the purge."

Moscow: Soviet on Parade

This brings us to the U.S.S.R.'s new constitution and the approaching election, but before discussing these, let us take a look at Moscow itself. Moscow is the Soviet on parade.

It is their capital city and, like the schoolboy who flexes his muscles and says, "I'm bigger than you," it is going in for superlatives.

Interestingly enough, they are chiefly concerned with beating out the "capitalistic" United States. I found this rather paradoxical because, after commiserating with us about the tragedy of America and its unemployment, the Soviet representative almost invariably pointed with pride to the efforts they were making to emulate, or exceed, the United States in boulevards that are the widest, subways the most beautiful and a skyscraper which will be the tallest in the world. All this with little regard to cost.

We stayed at the Hotel Metropole. The Moskva, their new hotel, which is "super" in size and second-rate in furnishings, had not its restaurant ready.

Our room was spacious and comfortable. I should say "rooms," because a sitting room was an integral part of it, at one end of which an Oriental rug ran from the floor, over the divan and right up the wall, in languorous splendor. And, of course, there was the usual plugless bathroom. The balcony looked out on one of Moscow's famous squares. I mention this latter because it was here we first became aware of the nervous tooting of automobile horns.

Whether it be from fear or from pride, these horns are heard continuously. And as another interesting sidelight, the drivers show no thoughtfulness for the pedestrians, who literally jumped for their lives and frequently scowled in anger at us. The motor car is playing its part in creating new class resentments in the Soviet.

Old Flivvers Exiled

One insight into how a dictatorship decrees and how its orders are carried out is evidenced by the instructions given that there be no more of the older open Ford type cars in Moscow, the capital city. All of these were arbitrarily turned in and only the new closed models are seen.

Some of these new cars are used as taxis. One day I hailed one as it passed, but to no effect. It had to go back to its base for the next party in the queue awaiting its arrival.

Our hotel was the centre of Moscow's night life. Far into each early morning the most amazingly motley crowd of people wined and dined and danced, while a sizeable orchestra played the familiar jazz favorites. These people were the new privileged strata.

Stalin lives within the ancient Kremlin walls, although he has his guarded summer place not far from Moscow along the one paved highway that leads out of the city. His trips back and forth to it are noted for their speed and for the well-armed car that follows. He now appears very rarely in public except on special days.

One curious paradox still exists in Russia. Although Stalin and a number of the Government and party heads are doing very well by themselves as far as living quarters and special privileges are concerned, yet they are above criticism by the masses who still look upon them as workers.

Moscow's "Modern" Stores

Moscow's stores provided a much better front in window display than those in Leningrad. The major department store boasted of one modern touch. It was outlined in neon at night. But the goods within shared the common characteristic of being inadequate and of inferior quality.

Some price quotations included 1,065 roubles for a ready-made man's suit of best quality Soviet wool cloth and 250 roubles for one of poor quality. Remembering the average wage mentioned in the previous article of 360 roubles a month, the cost of clothing oneself is apparent. Best quality men's shoes sold for 247.50 roubles and second quality at 174.25 roubles. Those with synthetic rubber soles sold for 61.60 roubles. In all cases these commodities were far below our concept of quality.

The department store crowd presented as good a cross-section of needy purchasing power as one could imagine. Life in its primitive raw went by. Women sat in corners nursing their babies.

In one department a more prosperous-looking man was admiring his companion who was trying on a new coat. I bowed my appreciation of her appearance and on examining the coat more closely, found that it was simulated fur and that its price tag said "1,340 roubles."

Shortage of Commodities

The Soviet is not concerned with problems of modern merchandising and advertising, so great is the demand for goods. I was informed that wages are being deliberately kept down because any marked increase would clean out available supplies of manufactured goods almost at once and thus increase the dissatisfaction of the masses.

What advertising is being done covers the selling of ideas rather than commodities. For instance, I observed one advertisement stressing the virtues of margarine. This, because of the shortage of butter.

Again, Russia is doing some advertising promoting health habits such as cleaning the teeth and so forth.

The following episode will indicate how one international character has also won his way into the hearts of the Soviet people:

I got on a crowded street car in Moscow one day and offered a handful of coins to the woman-conductor, anticipating she would take the necessary fare.

The only result was a stream of unintelligible Russian conversation in which several of the adjacent passengers joined.

However, the problem was solved. Shrugging my shoulders, I said "Mickey Mouse." Immediately the girl and the passengers broke into gales of laughter. She took some coins from my hand and on we all went rejoicing. We were going to the movies.

Another character from capitalistic America known to the Soviet people is Charlie Chaplin. His picture "Modern Times" with its mild implications against our mass production methods, failed to register. Used to propaganda in their movies by the shovelful, the salt-spoonful efforts of our beloved Charlie were inadequate.

Red Square Centre

The centre of all Moscow, of course, is the Red Square. Dominating it, in simple splendor, is Lenin's tomb which in artistic proportions and simplicity of line is superb. Its red and black marble are silhouetted against the lighter color of the Kremlin walls.

Your passport as a foreigner is a swift means of entry to the tomb itself, ahead of the inevitable queue who foregather daily from 5 to 7 each afternoon.

As you go in, you are directed left and down the steps to the right. A faint odor as of musk almost imperceptibly strikes you and the air grows cooler.

At the foot of the steps you turn right, and there under a V-shaped canopy of glass rests Lenin. His head, with its sandy-colored beard, is visible, as are his hands, one of them with clenched fist. He looks extraordinarily natural, especially the hands.

Guards with fixed bayonets stand at either end and other guards urge you along.

How the body is preserved is not known. It is a unique spectacle for the primitive people who follow his teachings, especially where his whole philosophy excluded the religious. In fact, in Soviet Russia they are aggressively anti-religious. I visited an anti-religious museum. But that is a story for another article.

True in all But Fact

The Soviet's new Constitution is an interesting document. If one reads it with the background of meaning of our democratic experience, it connotes a degree of liberal and democratic freedom which is true save in everything but fact.

The forthcoming election, with its secret vote, seems to be a democratic step but that might also be said of that part of the new Constitution which says:

"In conformity with the interests of the toilers, and in order to strengthen the socialist system, the citizens of the U. S. S. R. are guaranteed by law (a) Freedom of speech; (b) Freedom of the press; (c) Freedom of assembly and of holding mass meetings; (d) Freedom of street processions and demonstrations."

I sought information concerning this new freedom. My informant said: "The significance of this part of their new Constitution rests in the preamble. 'In conformity with the interests of the toilers, and in order to strengthen the socialist system . . .' is the joker. That enables the Government to decide what is in the interests of the toiler and certainly it does not include, in practice, any of the freedoms listed if there is any thought of a contra-Soviet viewpoint. The current purges are presently punctuating with emphasis the Government's interpretation of the Constitution."

"Another significant thing: although the candidates are chosen by the workers' or farmers' groups, these are controlled by the Government—that is to say, the Communist Party, and voting is by show of hands. All candidates who are chosen are subsequently required to be approved by the Party."

"One interesting effect of this election plan will be the opportunity given to local groups to name new candidates, thus enabling them to get rid of some of the dictatorial types of local Government administrators, to the advantage of the Government also, who wish to avoid a growth of too strongly influential leaders in outlying districts."

Windsor Hotel Cuts Interest

Protective Committees Give Consideration to Bond Plan

From Our Own Correspondent

MONTREAL.—A plan of reorganization is being considered by the protective committees for the 6½% first mortgage bonds and the 6% refunding mortgage bonds of the Windsor Hotel Ltd., Montreal.

It is understood that the plan involves a reduction in the interest rate on the first mortgage bonds from 6½% to 4½%, or possibly to 4%. Adjustment of the 6% refunding bonds and the preferred and common stocks will also be provided for.

Through reorganization it is hoped not only to bring fixed charges more in line with earning power, but also to provide funds for renovating and refurnishing the hotel. Recently a programme of rehabilitation and modernization was commenced, funds for this purpose being secured from earnings. Modernization of suites, it is felt, should improve the earning power of the company.

Am. Smelting Co. Boosts Earnings

Net Profit for 6 Months $3.38 Per Share on Common

Net earnings of American Smelting & Refining Co., which has a big stake in Canadian mining, again show sizeable increase amounting to $3.38 per share on the common for the first half of the year. Net income after all charges for the period amounting to $9,624,998, after meeting half yearly dividend requirements on the two classes of preferred outstanding. This compares with a net of $7,807,529 in the first half of 1936.

On June 30, 1937, total current assets including cash and U. S. Government securities of $17,057,602, totalled $95,394,047, against current liabilities of $27,637,853. This left working capital of $67,756,193, as compared with a working capital at the end of June, 1936, of $68,572,249.

Obalski Mining Corp. will sink a three-compartment shaft to 300 feet on its Chibougamau property, J. R. Giroux, president and managing director, announces. The shaft is now down 75 feet.

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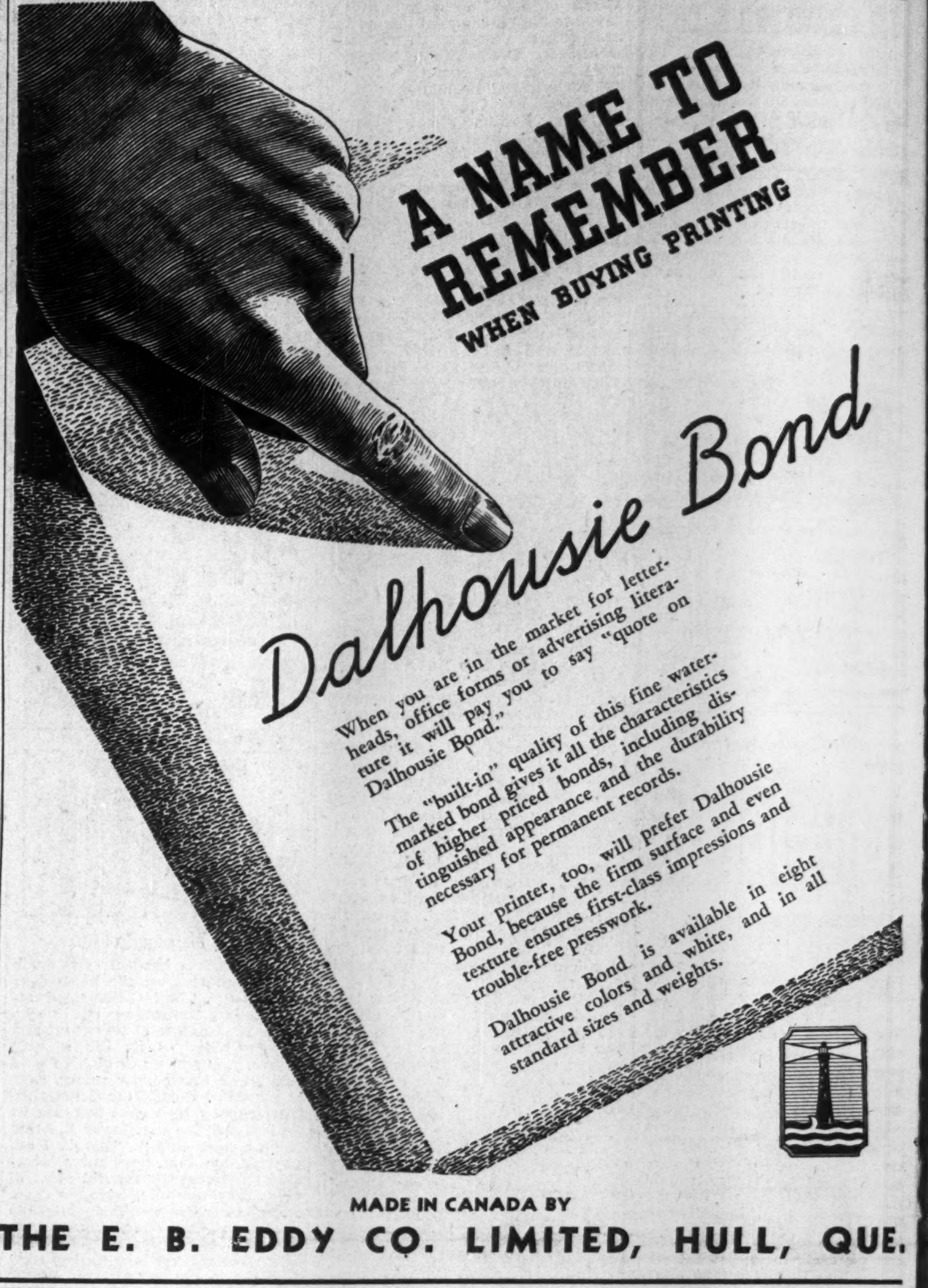

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